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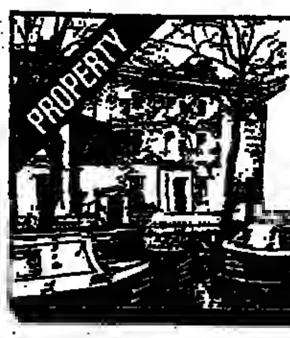

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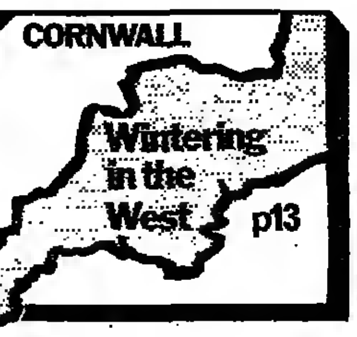

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LBJ
The power-mad President
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NEWS SUMMARY

GENERAL

Water strike talks to reopen

Pay negotiations in the water strike will be reopened tomorrow for the first time for almost two weeks after the disclosure by Len Hill, chairman of the employers' negotiating committee, that more money is available.

The talks, under the chairmanship of Acas chairman Pat Lowry, will centre on proposals to push up earnings by means of more flexible working and improved productivity. Back Page

Chemical control

U.S. vice president George Bush has promised an initiative which could ban the production, storage and transfer of chemical weapons. Back Page

Death threat

Peter Tatchell, left-wing Labour candidate for Bermondsey, claims there have been 20 threats to kill him and two attempts to run him down. Page 4

U.S. soldiers die

Three U.S. soldiers died of carbon monoxide poisoning near the Czech border after building a shelter on their jeep to escape a snowstorm.

Tea alert

Health department officials warned that a brand of comfrey tea, sold loose or in packets by Cotswold Health Products, bad been found to contain the poison belladonna—deadly nightshade.

Sea bed clue

Catepillar tracks have been photographed by navy divers on the sea bed near the top-secret naval base where an intruding submarine was unsuccessfully bunted last year, a Swedish newspaper claimed.

Baby saved

Rome doctors successfully removed a walnut-sized tumour from the heart of a baby boy within 24 hours of his birth.

Operation relief

Britain is sending £150,000 in medical supplies and cash for the relief of Ghanaians expelled from Nigeria. The EEC is sending £3.29m in emergency aid.

Mozart discovery

A symphony written by Mozart when he was 12 has been discovered in a Denmark cellar almost two centuries after it went missing.

Briefly . . .

Christian Aid gave £60,000 for victims of severe drought in East Africa.

Helicopter pilot with HMS Invincible died after his machine crashed into sea off Portugal.

Body of Jimmy McGivern, 4, was found in a Belfast sewer.

Britons drank 7.7m bottles of champagne in 1982.

Singer Karen Carpenter, 32, of the pop duo the Carpenters, died of a heart attack.

BUSINESS

Texaco to build refinery in Wales

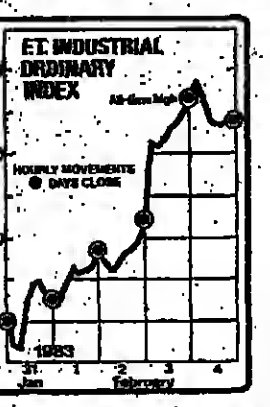
● TEXACO is building a £100m refinery in Pembroke, South Wales, to meet the increase in demand expected for low-lead petrol. Up to 1,000 workers will be needed for the peak construction phase. Back Page

● STERLING fell 55 points to $1.5195 but it rose to DM 3.7625 (DM 3.755), FFr 10.665 (FFr 10.66), SwFr 3.095 (SwFr 3.08) and Y365.5 (Y364.5). Its trade-weighted index was 81 (80.9). Page 23

● DOLLAR improved to DM 2.475 (DM 2.465), FFr 7.02 (FFr 6.9925), SwFr 2.035 (SwFr 2.019), and Y240.4 (Y238.75). Its trade-weighted index was 121.6 (121.3). Page 23

● GOLD fell $3.5 to $499 in London. In New York the Comex February settlement was $493.9 ($496.7). Page 23

● EQUITIES ended a record-breaking week on a more subdued note as investors took



stock. The FT Industrial Ordinary index alipped 2.8 to 646.8. Page 26

● GILTS fell on continued uncertainty about sterling. Page 26

● WALL STREET was up 7.82 to 1,072.48 near the close. Page 22

● BNOC came under increased pressure to cut the official price of North Sea oil. Page 3

● JAPAN Development Bank has made its first loan to a project in Japan controlled by a foreign company, Materials Research Corporation of the U.S. The loan totals Y350m (£960,000). Page 2

● MIDLAND BANK won continuation of a High Court order stopping it being joined as a defendant to the $1bn (£657m) damages claim in the U.S. by the Laker Airways liquidator. Page 4; Laker Holidays pledge, Page 3

● ATCOST, structural frame building group, has gone into receivership. Page 3

● FORD aims to reduce the hourly-paid workforce at its Dagenham plant by a further 2,900 by 1985. Page 3

● TURNER & NEWALL, asbestos products group, has agreed terms with its bankers which guarantee their support during a reconstruction programme planned for the next two years. Page 20

● BROKEN HILL Proprietary, Australian steel, mining and energy group, reported a 35 per cent fall in interim net profits to A$131.3m (£83.58m). Page 25

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Arlen Elec.	380	+ 43
BICC	365	+ 13
BTR	416	+ 14
British Car Auction	181	+ 13
Cater Allen	340	+ 25
Costain	212	+ 10
English Association	143	+ 8
Firth (G. M.)	285	+ 13
Ransomes Sims	210	+ 8
UBM	81	+ 4
UBI	323	+ 18
Union Discount	545	+ 20
Utd. Guarantee	41	+ 5
Valor	113	+ 20
Ward & Goldstone	68	+ 9
FALLS		
Exch. 12 1/2% 1994	£101 1/4	− 1
Barclays Bank	492	− 8
Bellair Cosmetics	46	− 6
Breville Europe	75	− 9
B. H. Prop.	426	− 14
Commercial Un.	141	− 7
Cope Allman	45	− 6
Hanover Invs.	110	− 12
London & Liverpool	608	− 20
Meltoy	42	− 8
Meyer Int.	126	− 8
Staffs. Potteries	39	− 7
Acorn Securities	53	− 7
Ashton Mining	76	− 8
Carr Boyd	128	− 19
Enterprise Gold	39	− 6
Gold Ms. of Kalg'lie	700	− 20
MIM	249	− 8
North Kalgurli	53	− 5
Otter Exploratn.	53	− 8
Pancontinental	116	− 14
Peko-Wallsend	398	− 17
Poseidon	375	− 28
Western Mining	244	− 10

Sunday shopping given thumbs down by MPs

BY KEVIN BROWN AND DAVID CHURCHILL

MPs VOTED by a buge majority yesterday to retain the ban on most Sunday shopping.

The Commons voted by 205 to 106 on a free vote to throw out a private member's Bill legalising Sunday and late night trading in England and Wales. Shops may already open seven days a week in Scotland.

The Bill was killed by an unlikely alliance of Sabbatarians, trade unionists, the Confederation of British Industry, the Retail Consortium, whose members account for 90 per cent of retail trade, the Co-operative movement, and lovers of the traditional quiet English Sunday.

Many Tories also appeared angry at the Government's ambivalent support for the Bill. Mr William Whitelaw, the Home Secretary, had promised "strict neutrality" but Mr David Mellor, the Home Office under-secretary, told MPs the Government bad no objections.

After the Commons vote the Retail Consortium wrote to Mr Whitelaw asking for an urgent meeting to discuss Sunday trading.

It will press him for an official inquiry into shop opening hours, with the possibility of Government legislation to reform the worst anomalies of the present legislation.

Although the Consortium was opposed to the Bill, it believes shops legislation should be amended to make it more consistent and in line with modern retail trends.

Two Cabinet ministers, Mr Kenneth Baker, Minister for Information Technology at the Industry Department, and Mr Nigel Lawson, the Energy Secretary, were among 12 ministers who voted for the Bill. Five junior ministers voted against.

Only two Labour MPs, Mr Jack Dunnett, MP for Nottingham East, and Mrs Renee Short, MP for Wolverhampton North East, voted in favour. Most of the Shadow Cabinet, including Mr Michael Foot, the party leader, and Mr Roy Hattersley, the Shadow Home Secretary, voted against.

Mr Ian Gow, Conservative MP for Eastbourne, Mrs Margaret Thatcher's parliamentary private secretary, voted in favour.

The unexpectedly large majority against the Bill will not end the pressure for reform.

Mr Ray Whitney, the Conservative MP for Wycombe, who sponsored the Bill, said he was disappointed the Commons was so out of step with public opinion.

Mr Whitney was the 17th MP to try to amend the law since the Shops Act was passed in 1950. But bis attempt will probably be the last by a private member. He accepted after the vote that only a Government Bill could overcome the strength of feeling on the issue.

The National Consumer Council, one of the main consumer groups pressing for immediate change, said it was "sad" at yesterday's Commons vote. "However, we have moved forward as almost all MPs who spoke agreed that the existing legislation was 'an ass,'" said a spokesman. "It is now up to the Government to act."

The main shopworkers' union, the Union of Shop Distributive and Allied Workers, was "delighted" at yesterday's result. But it planned to support calls for a Government inquiry into "how the regulation of shop hours could be up-dated without creating a free-for-all in the High Street."

The Lord's Day Observance Society was, not surprisingly, very pleased at the result. "We have been fighting hard for this and it is a vindication of our case," a spokesman said.

Commons debate, Page 3

Doctors 'must keep final say on prescriptions'

BY GARETH GRIFFITHS

PHARMACISTS should automatically dispense a generic, or general, drug rather than an alternative proprietary one, unless the proprietary drug is specifically requested by a doctor, says a report on drugs prescription in the National Health Service, published yesterday.

The report's recommendations are less drastic than the pharmaceutical industry bad feared, bowever. It rejects the establishment of a limited list of drugs to be used in the NHS.

Doctors have not been unduly influenced by pharmaceutical companies' promotional work, and the final decision on which drugs to prescribe must remain with doctors, says the report.

The report was produced by a Department of Health and Social Security informal working group under the chairmanship of Dr Peter Greenfield, the department's principal medical officer. It has been with ministers for a year.

Last year, the NHS spent about £1.2bn on drugs. Generic drugs, such as aspirin, are usually cheaper than proprietary brands.

Mr Norman Fowler, the Health Secretary, said yesterday he wanted comments on the Greenfield recommendations by April 15. The recommendation on generic substitution was also relevant to the Government's current review of the working of the Pharmaceutical Price Regulation Scheme, Mr Fowler said.

The Association of British Pharmaceutical Industry said last night "other factors" weighed overwhelmingly against acceptance of the generic substitution recommendation. Such a change would result in major economic losses to the country because of its "knock-on" effect on pharmaceutical companies.

Ministers have been playing down the recommendation on generic substitution. They argue that it is simply a tightening of existing policy.

Government policy has encouraged generic substitution in the NHS since 1960, although 80 per cent of the drugs prescribed by doctors are proprietary brands.

Details, Page 3

MAIN POINTS

- A switch from proprietary to generic drugs could save the NHS money, although no savings are specified.
- A national limited list of drugs is ruled out although local lists should be encouraged.
- Better liaison is needed between GPs and the hospitals over prescriptions.
- Better training in drug prescribing is needed.

Burton to buy UDS outlets

BY RAY MAUGHAN

BURTON GROUP, the Top Group retailing company, will announce early next week that it has signed conditional contracts to pay UDS Group almost £80m for its Richard Shops and John Collier mutiple clothing chains.

Bassishaw Investments, the company formed by a consortium of Heron Corporation and several major pension funds to bid for UDS, made a muted response last night. Mr Gerald Ronson, the chairman of Bassishaw and Heron, said: "I can only judge the facts when they are in front of me."

The £191m contested bid from Bassishaw for the whole of DUS closes on February 17, and there has been no indication that the 100p per share cash terms will be altered either to reflect UDS's stock market price of 104p or to accommodate Burton's intended acquisition of the core of UDS's high street operations.

The boards of UDS and Burton revealed yesterday that arangements bad reached an advanced stage, although each side stressed that "there is nothing in front of us as yet with dry ink on it."

The two groups are planning extraordinary shareholders' meetings late this month or early next. A simple majority is required in each case to approve the deal.

Mr Ralph Halpern, chairman of Burton, has been talking to Sir Robert Clark, his counterpart at UDS, about the possibility of buying Richard Shops since December. The discussions bave been widened gradually to include the loss-making chain of 240 John Collier outlets.

UDS intends to return to its shareholders the proceeds of the multiple chains disposal. The repayment is expected to be worth 40p per share and to be made in the form of Burton equity, with a straight cash alternative.

The repayment would be affected by a Scheme of Arrangement in the Courts, which would require a second meeting of UDS shareholders and a 75 per cent majority in favour. That meeting, however, would not be convened unless, or until, Bassishaw's offer has run its maximum 60-day course and has lapsed.

Burton said yesterday there had been no major obstacles to the deal, although an announcement of a formal agreement has been expected for some time. The acquisition must still run the gauntlet of a Monopolies Commission reference and union opposition, however.

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For latest Share Index phone 01-246 8026

Reagan hails fall in unemployment

BY ANATOLE KALETSKY IN WASHINGTON

U.S. UNEMPLOYMENT fell sharply in January, suggesting that the long-awaited recovery from the country's deepest post-war recession may at last be under way.

The political significance of the fall in unemployment from 10.8 per cent in December to 10.4 per cent announced yesterday by the Labour Department, was immediately underlined by President Ronald Reagan, who called an impromptu news conference shortly after the figures became public.

Hailing the fall — the first significant one since July, 1981 —as proof that "America is on the move now," Mr Reagan said the new outlook made him more determined than ever to prevent Congress from rescinding bis tax cuts or otherwise increasing taxes prematurely.

Significant

He urged the legislators to guarantee strong, sustained growth by cutting public spending as be had requested in the budget he presented earlier this week.

Yesterday's unemployment figures were seen as particularly significant because they were much better than expected by most forecasters. They confirmed encouraging messages from other less-widely publicised statistics, on housebuilding, car sales and consumer sentiment, which have emerged in recent weeks from private research firms.

If the signs of recovery are further reinforced by figures due on February 16 for industrial production and housing starts in January, economists may well start revising upwards their expectations for growth in the coming year.

Mr Martin Feldstein, the President's chief economic adviser, has said repeatedly that if it turned out that the recovery had begun in January, be would revise his official forecast of 3.1 per cent growth between the fourth quarters of 1982 and 1983 to nearer 5 per cent.

He said yesterday that the unemployment figures confirmed that a recovery was "either beginning or already here." He did, however, warn that one month's unemployment figures could be misleading—particularly in January, a month with large seasonal adjustment.

A peculiar feature of the January figure is that unemployment normally lags behind other economic indicators and continues to rise for a short period, even after production begins climbing.

President Reagan, however, was jubilant about the figure, saying that he regarded the fall as the beginning of a trend and that "millions of Americans can now take heart."

Birthday

Mr Reagan will be 72 on Sunday, and he allowed his news conference to be turned into a televised birthday party for himself.

In what appeared to be a carefully-controlled surprise, Mrs Nancy Reagan suddenly wheeled in two large cakes for him to share with the White House press corps as Mr Reagan struggled with a question on variations in the annual rate of defence spending growth in real and nominal terms.

£ in New York

	Feb. 5	Previous
Spot	$1.5230-5245	$1.5190-5210
1 month	0.26-0.22 dis	0.25-0.20 dis
3 months	0.70-0.65 dis	0.75-0.68 dis
12 months	1.75-1.50 dis	1.75-1.60 dis

Miss World offered to investors

By Clive Wolman

Miss World, the beauty competition company controlled by Mr Eric Morley, is to offer herself to the profit-lusting investors of the unlisted securities market.

Mr Morley will announce a plan this weekend to float off up to 48 per cent of the equity of the company, at present wholly-owned by himself and his wife Julia. Underwriters to the issue are the stockbrokers Schaverien & Co. and dealings are likely to start next month.

Miss World has recently looked in much better shape, since being sold by Mecca in November 1979, and has succeeded in winning the attentions of computer and clothing manufacturers and television companies from 40 countries.

Most of Miss World's assets are hidden and unstrippable. The company has only nine direct employees and a short-term lease on its Soho office. Its real value lies in goodwill, television rights (Thames TV has a contract until 1985) and sponsorship and promotional contracts.

Mr Keith Pinker, of Schaverien, said: "It is like an advertising agency. It is using the services of its girls to help companies promote their products."

Miss World's vital statistics show a profits growth from zero in 1980, through £54,000 in 1981 to £170,000 last year on receipts approaching £1m.

When first set up by Mr Morley in 1951 as part of Mecca's operations, it was used for Mecca's promotional purposes and attracted little sponsorship.

Now the company has sponsorship contracts with Wings Travel and Ascot, whose swimwear the contestants display, and has a bizarre link-up with Epson, a computer company and subsidiary of Seiko, in which Miss World contestants are expected to take day-long computer aptitude tests.

Mr Morley is now about to sign a contract by which Miss World dolls (and accessories)

Continued on Back Page

Giddy heights far small company shares, Page 19

Portugal to hold general election on April 25

By Diana Smith in Lisbon

PRESIDENT Antonio Ramalho Eanes yesterday dissolved parliament and called a general election for April 25. The date is symbolic—it will be the ninth anniversary of the military coup which, in 1974, ended 48 years of right-wing dictatorship.

Portugal's 7m voters will elect the country's ninth government since the overthrow. President Eanes acted swiftly to dissolve parliament after deputies had hurriedly approved a provisional budget prepared by the outgoing administration of Sr Francisco Pinto Balsemão.

The budget, which adds an average of Esc 13,000 (£86) to each Portuguese taxpayer's burden in fiscal year 1983, is a stop-gap to ensure that state funds be maintained during the coming interregnum. Unpopular measures, such as a 25 per cent rise in the price of a packet of cigarettes to Esc 60 (40p)—hard on the low earnings of Portuguese smokers — and higher income tax, are expected to benefit the opposition in the forthcoming elections, which will be fought on bread-and-butter issues.

Sr Balsemão's coalition cabinet of Social Democrats, Christian Democrats and monarchists will remain as a caretaker until the election, but its Democratic Alliance ended with the dissolution of Parliament. The three parties will compete separately in April, their images tarnished by their part in recent political confusion, soaring prices and industrial stagnation. All parties are rushing to get their lists of candidates ready by the deadline of March 18.

The Socialist Party, led by Sr Mario Soares, has deleted the Marxist element of its programme so as to attract a wider range of votes. It is tipped to win in April, though not with an overall majority. This implies an arrangement with the Social Democrats, the most likely runners-up.

Sr Soares is not expected to be prime minister, however. He is known to be grooming himself for the 1985 presidential campaign. Sr Antonio Almeida Santos, a seasoned Socialist parliamentarian, is likely to emerge as the party's favourite for the premiership.

China, U.S. to renew military links

BY TONY WALKER IN PEKING

CHINA AND the U.S. are taking steps to resurrect co-operation in the military field. Such co-operation had been all but abandoned because of the dispute over U.S. arms sales to Taiwan.

Mr George Shultz, the U.S. Secretary of State, in talks yesterday with Gen Zhang Aiping, China's Defence Minister, agreed that discussions should be renewed between Chinese and U.S. defence officials.

Meanwhile, Zhao Ziyang, China's Premier, in a meeting with Mr Shultz, repeated China's invitation to President Ronald Reagan to visit Peking. Zhao said before his talks with Mr Shultz that he would visit the U.S. The timing of such a visit, he added, would be fixed through diplomatic channels.

In June 1981, Mr Alexander Haig, the then U.S. Secretary of State, announced that the ban on weapon sales to China would be lifted. It was planned that a deputy chief of the Chinese General Staff would visit Washington for further discussions, but the visit never took place because of the Taiwan dispute.

A U.S. official said yesterday that Mr Shultz had not discussed weapon sales with Gen Zhang. He indicated that what was proposed was renewed contact between defence attachés of the two countries.

Mr Shultz and Gen Zhang agreed that talks should be held in Peking this weekend between U.S. and Chinese officials on a framework for increased consultation.

The consultations may lead to renewed Chinese interest in arms purchases from the U.S., but American officials insist that weapon sales are not something at present under discussion.

China's premier hoped that the Taiwan problem would not get in the way of his or Mr Reagan's proposed visits. "I don't want to see this happen. We hope and believe it will not happen," Zhao said.

Reginald Dale, U.S. Editor, adds from Washington: Mr Reagan could face problems with his right-wing supporters if he decides to go to China and not to Taiwan—a major symbol of successful anti-Communism to U.S. conservatives. A visit to Taiwan, however, would clearly be objectionable to Peking.

Fraser ridicules Hawke's call for 'summit'

BY MICHAEL THOMPSON-NOEL IN SYDNEY

WITH SHARE PRICES sagging further yesterday in concern over a possible Labor Party election victory, Mr Malcolm Fraser, the outgoing Australian Prime Minister, described as "ludicrous" a call from Mr Bob Hawke, the new Labor Party leader, for a summit of states, unions and employers to hammer out a programme for economic recovery.

Mr Hawke said in Sydney that he would call the summit if successful in the March 5 general election. After talks with leaders of the Australian Council of Trade Unions, Mr Hawke also said he would not lift the current wages freeze until after the summit.

"If Mr Hawke doesn't know now what the facts of the economic situation are, here and overseas, he ought to resign from the Parliament," Mr Fraser rejoined. "It is a ludicrous statement. I am as happy as I can be."

However, the early polls show the new Labor leader enjoying wide support. In a poll published in The Australian newspaper this morning, Mr Hawke leads Mr Fraser by 52 per cent to 31 per cent, with 17 per cent of voters uncommitted.

The poll, conducted on Thursday night, was restricted to the state capitals, so understates the support for the ruling Liberal-National Party coalition. Yet it indicates that the Government is on the defensive.

In the shares market, the All-Ordinaries index shed a further 14.4 points (2.7 per cent) to 513.7, with the Metals and Mining index falling 17 points (3.6 per cent) to 453. Since Thursday, A$2.25bn (£1.44bn) has been wiped off share values.

However, the market was influenced by weaker interim profits from Broken Hill Proprietary, the country's largest company.

Mr Calvert-Jones, deputy chairman of the Melbourne Stock Exchange, said a win for Mr Hawke would not automatically be bad for investors. On the other hand, he said, investors had not forgotten "the excesses" of the Whitlam Labor Government.

The Government meets in Melbourne tomorrow to finalise campaign plans. The Liberals are spending A$2.5m on advertising, while the Labor Party yesterday launched an A$2m appeal.

The election is expected to be the closest since 1961. Labor needs 11 extra seats to win power. Privately, the coalition partners concede they will lose at least six.

The dispute by oil industry workers which triggered the election was called off yesterday. Mr Fraser said on Thursday that the key election issues would be wage inflation and economic management.

● The election is further endangering the booby birds on Christmas Island, 2,600 miles west of Perth. The Senate Standing Committee on Science and the Environment was due to visit the island this week, to examine the boobies' only known habitat, now endangered by phosphate mining. The visit has been cancelled.

Brazil has record 9% inflation rise

BY ANDREW WHITLEY, IN RIO DE JANEIRO

A SURGE in price rises held back at the Government's request in the fourth quarter of last year was largely responsible for the record monthly increase of 9 per cent in the inflation rate which Brazil recorded in January, pushing the annual rate to nearly 105 per cent.

In Rio, wholesale prices were up by 9.8 per cent, while the average food bill in the city rose by nearly 12 per cent during the month, according to the semi-official Fundacao Getulio Vargas Institute, which monitors the politically-sensitive price index.

In view of the strong upward trend underlying the inflation index, the International Monetary Fund-endorsed target of an annual inflation rate of 70 per cent by the end of the year, therefore already looks remote.

More worrying from the foreign bankers' point of view will be the expected disappointing January trade performance. Preliminary indications from Cacex, the foreign trade authority, are that the month's trade surplus will be well below what is needed, to meet the 1983 goal of $6bn (£4bn).

Officials are now saying that exports are unlikely to recover significantly before the second half of the year.

Foreign bankers are highly conscious of the fact that any shortfall in the $6bn target will probably have to be compensated for through further help from the international financial system.

Brazil hopes to sign the first two parts of its four-point bank rescue programme — covering a $4.4bn jumbo loan and the roll-over of $4bn in amortisations falling due this year — in Washington on Wednesday, during the meeting of the IMF's interim committee.

The total banks involved in the jumbo loan has risen to 160, according to banking officials. A spokesman for Morgan Guaranty which is coordinating the loan, said in New York on Thursday that it was "91 per cent there."

Sen Carlos Langoni the Brazilian Central Bank Governor, who was visiting U.S. and Canadian banks to urge their support for the restoration of credit lines, said that since Tuesday, Californian banks had "significantly" increased their lines to foreign branches of Brazilian banks.

Eurocrat ends his hunger strike

By Giles Merritt in Brussels

TO THE undisguised relief of the top brass of the European Commission, M Jean-Francois Ferrandi yesterday ended the hunger strike he has been staging since January 31 on the EEC Commissioners' own exclusive 13th floor. He then allowed himself to be conducted out of the Berlaymont building.

His departure may prove to be only the end of the beginning of the "Affaire Ferrandi," for it could be that he will sue the EEC Commission for alleged wrongful dismissal, in the European Court of Justice in Luxembourg.

The saga of the Corsican Eurocrat who allegedly struck a top-ranking superior, has at any rate, already added a spice of life to the quiet tempo of bureaucratic Brussels.

M Ferrandi's troubles began with his election last September to the new Corsican Assembly, and a series of rather opaque misunderstandings between himself and the EEC personnel chiefs over the question of leave of absence.

An internal European Commission disciplinary body is still examining the circumstances of October 6 last year, when M Ferrandi returned to Brussels to discuss the matter, and allegedly, in polite French Euro-speak, "gave himself over to a path of action against the person of the personnel director."

Few Commission officials are ever dismissed, but M Ferrandi's actions resulted in the calling of a disciplinary hearing which he promptly walked out of, and declared his hunger strike.

Such internal EEC ructions would have provoked little more than fleeting interest among the 500-strong Brussels Press corps had M Gaston Thorn, president of the Commission, not decided, in the interests of security, to deny reporters access to the hunger striker.

"We were tossed out by the 'barbouzes' (heavies)" complained one of the French journalists who has made M Ferrandi a cause celèbre.

Truck drivers shot

TWO U.S. truck drivers were shot and seriously wounded in Michigan and Maine yesterday as more produce dealers reported shortages in the fifth day of the violent truck strike, AP reports from New York. One driver was hit in the face by a shotgun blast and another was wounded in the shoulder.

Guerrillas killed

Nicaragua claims to have killed 58 rightist guerrillas near the Honduran frontier in the past week, Tim Coone reports from Managua. The skirmishes began after a unit of 120 counter-revolutionaries landed by sea, apparently from Honduras, and attempted to capture a Nicaraguan military post. The Government has put its own losses at five dead, with five others wounded.

Bermuda election

Prime Minister John Swan's United Bermuda Party (UBP) won a decisive victory in yesterday's general election in Bermuda, increasing its majority in the House of Assembly from four to 12 seats, reports Reuter. According to official results the UBP now has 26 seats to the opposition's 14 in the 40-seat assembly.

Haughey accused

Mr Charles Haughey, the Irish Opposition leader, was yesterday accused by one of his former supporters, Dublin MP Ben Briscoe, of trying to turn his Fianna Fail party into a dictatorship following his statement on Thursday declaring his control of the party, writes Bredan Keenan.

Japan's Development Bank makes first loan to foreign group

BY JUREK MARTIN IN TOKYO

THE Government-owned Japan Development Bank set what may be an important precedent yesterday in making its first-ever loan to a project in Japan controlled by a foreign company.

The Y350m (£960,000) loan has been advanced to Materials Research Corporation (MRC), the New York-based concern which controls 80 per cent of a joint venture with Midoriya Electric of Japan. The venture is building a Y730m plant for the manufacture of sputtering equipment for the electronics industry in Oita Prefecture on the southern island of Kyushu.

Dr Sheldon Weinig, MRC's president, and bank officials yesterday characterised their agreement as a major step in the Japanese policy of encouraging foreign investment in technological areas.

The Government of Prime Minister Yasuhiro Nakasone has been making much of the need to attract foreign investment to Japan as a way of easing international trade frictions. It intimated in last month's package of market-opening measures that Japanese Government funding would be available for such projects.

In fact, the development bank's programme for technological loans, under whose auspices the MRC loan was granted, was put into effect last autumn before Mr Nakasone took office. MRC first approached the bank four months ago.

Dr Weinig, while agreeing the agreement broke new ground, gave particular credit not to the Japanese Government but to Governor Hiramatsu of Oita Prefecture who had lobbied hard on MRC's behalf.

The island of Kyushu, relatively backward in economic terms, is emerging, like Silicon Valley in California, as a centre for Japanese high technology industry.

But a U.S. embassy official familiar with the negotiations said he was impressed by the bank's willingness to support on Japanese soil a foreign company which was likely to offer stiff competition to indigenous technology.

A bank official said he expected "quite a field" of foreign applicants now that the precedent has been set. However, the only company known to be in the early stages of negotiations with the bank is Fairchild, of the U.S.

Dr Weinig and the official also made a point of declaring that the bank was now interested in advancing loans for the purchase of foreign aircraft.

However, it appears that at present this is confined to potential buyers of Boeing's 767 airliner, in which Japan is a minority subcontractor, and not available for purchases of the European Airbus or British Aerospace's HS 146.

Reuter adds: Parliamentary business was halted for a second time yesterday by a row over the Government's decision to allow the export of Japanese military technology to the U.S.

The afternoon session of the Lower House budget committee was cancelled because an Opposition leader, dissatisfied with Government replies, refused to ask questions on other subjects.

France to reinforce its troops in Beirut

BY NORA BOUSTANY IN BEIRUT

FRANCE announced yesterday that it was sending 298 Marines to reinforce its military contingent in Beirut, at the request of Mr Amin Gemayel, the Lebanese President. The statement came just as a series of attacks against the multinational force here seemed likely to intimidate participant governments into withdrawing their troops.

Officials in Paris said yesterday that the step underscored concern over slack progress towards the withdrawal of foreign forces from Lebanon, and in efforts aimed to salvage Lebanese sovereignty.

The French Defence Ministry said that President François Mitterrand had decided to reinforce the 1,600-strong French force and that a Foreign Legion parachute regiment had been put on alert in case further reinforcements were needed. The 4,422-man multinational force will be increased to about 4,800. It includes U.S. marines, French and Italian soldiers, as well as a small British contingent which arrived this week.

The timing of the French move is seen as controversial here because it coincided with intensifying friction between Israeli troops and U.S. Marines, and with attacks against French soldiers this week. Nineteen French soldiers have been injured in operations here since the multinational force was redeployed in September, after the Sabra and Chatila camp massacres.

An argument between a U.S. Marine officer and the commander of an Israeli tank unit trying to cross into disputed territory has led to indignation in Washington.

Israeli and U.S. officials have reached a demarcation agreement to avoid the recurrence of such incidents and ease the strains between their forces.

Lt-Col John Cochrane, the British commander, told a news conference yesterday that his men would not stop at Israeli checkpoints. The British soldiers, to number 100 by Tuesday, have their headquarters about half a mile east of where the U.S.-Israeli incident took place.

Paris club talks prompt Cuba rescheduling hopes

BY DAVID MARSH IN PARIS

HOPES OF agreement between Cuba and its western creditors to reschedule part of Havana's external debts have risen after a series of meetings in Paris this week, according to officials.

Talks at the "Paris club", which links western treasury officials in charge of rescheduling government loans to problem countries, have been smoother than previous ones on Cuba, they said.

A further session is to take place at the beginning of March. Agreement to stretch Cuban debt repayments could be clinched then.

Cuba has asked western governments and banks to agree a 10-year moratorium on about $1.3bn (£855m) worth of international debt which will fall due before 1985. This proposal has been solidly opposed by the West, but it now seems that the two sides are closer.

Compared to such countries as France and West Germany, Britain has taken a tough line on Cuban debt, but is now adopting a more accommodatory stance.

● The Paris club also discussed this week the even thornier problem of Sudan, which is thought to be $2bn in arrears on payments towards its overall foreign borrowings of $7.5bn.

U.S. seeks extension of car imports accord

By Paul Taylor in New York

Mr William Brock, the U.S. trade representative, is expected to seek a two-year extension of the current voluntary agreement on Japanese car exports to the U.S. when he begins negotiations with Japanese officials next week.

Japan's current agreement to limit car exports to the U.S. to 1.68m a year expires at the end of next month.

The negotiations are expected to prove difficult because there have been recent indications that the Japanese Government may be unwilling to agree to any extension because of a recent improvement in U.S. car sales.

In the past few weeks, Mr Malcolm Baldrige, Commerce Secretary, and other U.S. officials have been meeting U.S. car industry leaders, including Mr Roger Smith, chairman of General Motors, to discuss the issue.

The U.S. car manufacturers have been demanding that the Japanese export "quota" be reduced to 1.5m cars a year.

They base this argument on calculations that Japanese manufacturers took about 23 per cent of the U.S. car market last year, instead of an intended 17 per cent under the old agreement, because of the sales slump.

It is thought unlikely that Mr Brock will try to negotiate a lower limit because of the improved outlook in recent months for U.S. car sales.

However, he may seek to establish a safety-net provision under which Japanese exports would be further reduced should U.S. car sales fall below a certain base level.

One possibility is that he will urge the Japanese to accept last year's U.S. sales total of 8m units as the base level below which further reductions in Japanese car exports to the U.S. would be sought.

● The U.S. government is investigating whether Toyota Motor Corporation owes additional taxes for the 1975-1978 fiscal years.

The investigation was revealed in a Justice Department court case seeking to enforce two Inland Revenue summonses for details of the company's sales and cost information requested last August.

Fanfani appoints Socialist as head of energy group

BY OUR ROME CORRESPONDENT

ITALY'S Prime Minister, Sig Amintore Fanfani, yesterday named Prof Franco Reviglio, an economist with wide experience of public office, as the new chairman of ENI, the state energy company.

Although the nomination will still have to be examined by parliament, Sig Fanfani appeared to have defused the threat to his four-party government posed by a bitter row over political appointments in nationalised concerns.

Prof Reviglio, a Socialist who earned a reputation for honesty and toughness while serving as Finance Minister from August 1979 to June 1981, emerged as a candidate acceptable to all political parties in the coalition. It now seems likely that the vote of confidence expected early next week will not take place.

The crisis developed after Sig Fanfani's Christian Democrats fell out with their Socialist coalition partners when the previous ENI chairman, Sig Umberto Colombo was last month forced to step down.

The Socialists insisted Sig Colombo be removed, even though they had nominated him in the first place, because he was obstructing the appointment to the ENI board of another Socialist candidate, Sig Leonardo Di Donna, a former ENI vice-chairman.

Sig Reviglio, 48, made a name for himself as finance minister when he introduced a series of measures designed to eradicate tax evasion. He also published a list of prominent people alleged to have evaded large payments of tax.

He became known to ordinary Italians when he introduced legislation making it a crime for customers not to obtain receipts when they left restaurants.

Decision

The decision to name Sig Reviglio, who will be ENI's seventh chairman in five years, was announced by the Social Democrat leader Pietro Longo. A Cabinet meeting held last night was expected to name other members of the ENI board.

ENI—the fourth biggest outside the U.S. with turnover last year estimated at L44,500bn (£20bn)—was last week brought to a halt by a one-day strike of managerial staff called in protest at the Government's handling of the affair.

Renter adds from Aversa: A gunman wearing a bizarre carnival mask murdered a Christian Democratic local councillor outside his house in this southern Italian town early yesterday, police said. Sig Francesco Brunitto, 48, was hit by four shots in the head as he got out of his car to approach the man.

Greeks split over the big banana

BY VICTOR WALKER IN ATHENS

A PROPOSAL that Greece's socialist government should put the banana to work for the national economy is heading for the desk of Mr Andreas Papandreou, the Prime Minister, after reports of a banana split among ministers.

The chronic dearth of the yellow fruit in Greece is a legacy of Brigadier Stylianos Pattakos, once Minister of the Interior and now serving a life sentence for his role in the 1967 military coup.

Seeking popularity in his home island of Crete, where a mere 50 to 60 families produce 600-800 tonnes a year of mini-bananas, he banned the importation of bananas from abroad.

The Cretan minis, which sold only from street barrows at about Dr 250 (£1.94) a kilo, are about the size of a butcher's thumb and taste of lemon. Retail shops cannot afford to sell them at the fixed official price of Dr 96 as long as the Cretan field price remains as high as its present Dr 180-200.

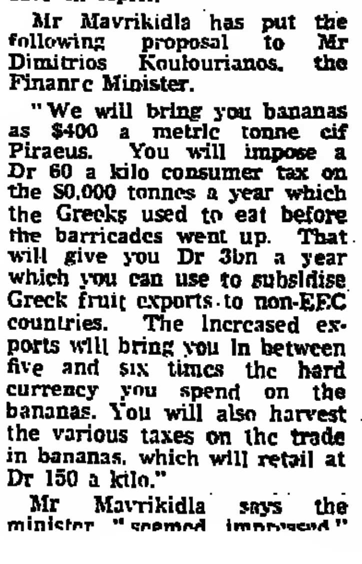
There are tourists who have been required to eat their bananas at the borders, when caught entering Greece with illicit amounts. It is part of travel industry lore that the troll of Greeks around Europe can be followed by discarded banana skins. A fruiterer on the Yugoslav side of the border, in this reporter's personal experience, does a brisk trade in semi-rotten bananas snapped up by homecoming Greeks for a last indulgence in No-man's land.

But the international forces behind the big banana, despite several rebuffs since the restoration of democracy in 1974, are now on the march again, spearheaded by the Greek League of Wholesale Banana Importers, which has been dormant for 12 years but not sleeping.

Mr Myron Mavrikidis, the league's spokesman, says that after Greece joined the EEC the league obtained a decision in Brussels against the ban, at least as applied to bananas from the French islands of Martinique and Guadeloupe, but "they managed to bury it in Athens."

The next step was a formal request to the Commerce Ministry here for an import licence. The request was turned down, as anticipated, but the rejection made possible an appeal to the Council of State.

The Council will hear the case in April.



Mr Mavrikidis has put the following proposal to Mr Dimitrios Koulourianos, the Finance Minister.

"We will bring you bananas as $400 a metric tonne cif Piraeus. You will impose a Dr 60 a kilo consumer tax on the 80,000 tonnes a year which the Greeks used to eat before the barricades went up. That will give you Dr 3bn a year which you can use to subsidise Greek fruit exports to non-EEC countries. The increased exports will bring you in between five and six times the hard currency you spend on the bananas. You will also harvest the various taxes on the trade in bananas, which will retail at Dr 150 a kilo."

Mr Mavrikidis says the minister "seemed impressed" but indicated there was hostility from the Agriculture Ministry. The league will now keep shoving till the banana case reaches Dr Papandreou.

The main resistance is believed to come from apple merchants. Greece produces about 280,000 tonnes of apples a year, from a total fruit output of about 3m tonnes.

"The Agriculture Ministry has a fixed idea that Greeks eat apples only because there are no bananas," Mr Mavrikidis says.

The full-size banana was last seen in Greece as part of a government treat at Christmas 1977 and the following Easter. The Greeks then ate their way through a normal full year's supply in rather less than three months. They can now buy imported pineapples, and imported coconuts.

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Call for sharp cut in sugar consumption

By David Fishlock, Science Editor

SUGAR consumption should be cut to half its wartime level to prevent dental caries, the most prevalent infectious disease of industrialised society, says an article in The Lancet today.

Dr Aubrey Sheiham, of the London Hospital Medical College, bases this conclusion on a review of scientific studies in Britain, Japan, Norway and other countries. He adds that brown sugars and honey are just as unhealthy as white sugar at the same concentration.

Sugar consumption must be more than halved to half a pound a week—15 kg per person per year. Even this level of sugar consumption assumes the widespread use of fluoride to help protect teeth against dental caries.

White sugar consumption in Britain fell to 30 kg per person per year during World War II.

This fall led to a 43 per cent decrease in caries in 12-year-old children, but 74 per cent of them had four or more decayed teeth. Children evacuated from Jersey to the mainland had much less healthy teeth than those who stayed on the island, where consumption was only just over 8 kg per person per year until 1944.

Statement on cable ship

The Central Electricity Generating Board sought yesterday to clarify its position in the controversy over its cross-Channel cable laying contract, for which a new ship has been ordered in South Korea.

The CEGB said that, if it had not accepted the lowest tender price, the contract cost would have been around 50 per cent higher. Mr Michael Foot, the Leader of the Opposition, said in the Commons on Thursday that the order should stay in the UK.

The value of the CEGB contract with International Transport Management (Overseas) of Teesside, which is ordering the £15m ship, and carrying out the work, is believed to be around £10m.

The CEGB said the first tenders made it apparent several months ago that any new ship would be most likely to be built abroad. It asked shipping companies to tender again, giving preference if possible to Continental or UK yards.

Alcoa closes distribution business

Alcoa of Great Britain is closing Alcoa Eurometals Centres, its distribution business, with the loss of 44 jobs. Two warehouses were closed late last year, and the remaining four will be phased out over the next few weeks.

Mr Tony Morris, managing director of Alcoa Eurometals Centres, said the decision reflected the reduction in recent years in the range of rolled products made by Alcoa in Britain.

Pavarotti pulls out of Tosca

LUCIANO PAVAROTTI, the singer, has withdrawn from the Royal Opera House, Covent Garden's, production of Tosca which returns to the company's repertoire for five performances from February 12. Mr Pavarotti said he wanted a rest and has been replaced by Giacomo Aragall, the Spanish tenor.

Engineering output holds steady

The combined output of the engineering industries was virtually unchanged in the three months to October 1982, compared with the previous three months, although it was about 3 per cent up on the third quarter of 1981.

Mechanical engineering output continued to fall—it was 3 per cent lower in the latest quarter than in the previous three months, according to the Department of Industry. Electrical engineering output was up 3 per cent and instrument engineering output was up 5 per cent.

Gareth Griffiths looks at recommendations for cutting Britains £1.2bn drugs bill

Generic drugs prescribed for NHS

PHARMACISTS should dispense generic or non-proprietary drugs unless doctors make a positive request for a proprietary drug, according to the Greenfield report on drug prescription policy in the National Health Service published yesterday.

The report, which comes from a Department of Health and Social Security working party on effective prescribing chaired by Dr Peter Greenfield, the department's principal medical officer, had been with ministers for a year.

It recommends a move towards prescribing generic drugs rather than the usually more expensive proprietary brands, but stops short of any element of compulsion and rules out the idea of setting up a national list of recommended drugs.

The working party's task was to look at the health service's drugs bill, which last year came to around £1.2bn — mainly through prescriptions issued by the country's 27,000 general practitioners.

In hospitals there are cash limits on drugs spending and generic drugs are the rule. There are no cash limits on drugs prescribed by GPs, and these drugs are overwhelmingly ones with branded names. The report says that 80 per cent of doctors' prescriptions were for proprietary brands in 1980.

Its recomendations fall under three headings: hospital prescriptions, the prescribing policy of GPs, and the education and management skills of doctors.

The report favours a move to generic prescriptions. "We believe there are a number of advantages to be gained from prescribing by approved name.

"It may make the doctor think more about the range of drugs available to him and the relationship between groups of drugs; it may create a flexibility which should help the pharmacist in his arrangements for stocking drugs; and because unbranded drugs are usually cheaper than proprietary equivalents, it could save money."

However it rules out any element of compulsion. This is in spite of the fact that there are 6,500 preparations available for prescribing at the health service's expense, but the average prescriber is said to use a range of only 300 to 400.

There have been arguments for introducing a limited list of drugs which could be used by health service doctors, and in some areas local lists have been drawn up. The report says initiatives on a local level should be encouraged but rules out a national list.

"It is our view that a limitation on prescribing at NHS expense would be interpreted by some doctors as an attempt to curtail their clinical freedom," it says.

"We have not seen any convincing evidence that suggested financial benefits would outweigh the administrative problems in drawing up and maintaining the list. We have concluded that such a move would not be justified."

Doctors are content for their patients to receive an alternativa version of the drug prescribed but tend to prescribe the proprietary brand with which they are most familiar, the report says.

It therefore recommends the introduction of a scheme under which doctors could still prescribe proprietary drugs, but unless they specified the brand name of the product, the pharmacist would automatically prescribe the generic version and would be paid according to the basic price indicated in the Drug Tariff.

This could bring about a significant change in the pattern of prescribing which would result in savings to the health service.

The report is concerned about the level of overprescribing, and says that where long-term treatment is prescribed drugs should be prescribed on a 28-day basis. This would be convenient from a packaging angle.

More care in making decisions over prescriptions would also help reduce the drugs bill.

The working party expresses disquiet over the way in which some hospitals achieve savings on their cash-limited drugs bill. It says there is strong evidence that many hospitals try to achieve savings by limiting prescription for patients on discharge to a maximum of one or two weeks' supply, with a recommendation that the GP continues the treatment afterwards.

Responsibility for prescribing, the report says, must lie with the doctor who at the time has clinical responsibility for the patient's treatment.

There should also be an improvement in liaison between hospitals and GPs over drugs prescribed for patients, and the introduction of a drugs card for patients which would say what drugs they were receiving.

The report wants more attention to be paid to training about prescribing. The level of training is unsatisfactory, the report says, and it wants GPs to be made more aware of the economic considerations of their practices.

Atcost frame building company goes into receivership

BY RAY MAUGHAN

ATCOST, THE structural frame building group based in Tunbridge Wells, Kent, has gone into receivership. The receivers, Stoy Hayward, have begun the task of finding buyers for the business, either whole or in its constituent parts.

Mr P. R. Copn of Stoy Hayward said yesterday that Atcost had suffered from the effects of the recession and had made substantial losses to September last year.

In spite of rationalisation and the efforts by the directors to find adequate additional finance, the receiver said, the group as constituted was not able to continue.

Operating from Tunbridge Wells, Eastleigh, Devon, St Ives, Cambridgeshire and Bishop Auckland, Atcost manufacturers and erects agricultural buildings and employs about 500.

Atcost was one of the largest and one of the first management buy-outs. For several years it looked to have been one of the most successful. It was acquired by its executives, headed by Mr Michael Stubbs, the th finance director, from t liquidator of the Lyon gro of property companies.

The structural frame busine was the only profitable part Mr Ronald Lyons's proper empire when that group fail so dramatically in the 1973- financial sector crisis.

The buy-out was affected May 1978. The directors rais £900,000, of which £100,0 represented equity capital. T board held 52 per cent of t ordinary capital largely as result of second housi mortgages. A further 6 per ce was subscribed by the Atc pension fund while the Natio Coal Board superannuati scheme held the balance of per cent through its devel ment capital (finance) arm.

Atcost's profits in the months to September 19 reached £123,000 and in t following three years were go on to reach £297,000, th £353,000 and finally £735,0 before dropping, in the months to September 1981, £363,000.

Pressure mounts on BNOC to cut price

BY ROGER MATTHEWS AND CARLA RAPOPORT

PRESSURE ON British National Oil Corporation to cut the official price of North Sea oil mounted yesterday. At least one oil cargo has been refused by a major customer, Gulf Oil.

The industry says other refusals will follow soon, if the official price of North Sea oil remains above $4.50 a barrel more than the spot market price.

BNOC, the principal North Sea oil trader, denies it is disposing of any of the unsold oil in the spot market. One senior oil executive, however, said yesterday: "If they aren't selling it on the spot market, what are they doing with it?"

BNOC said yesterday its supply and distribution system was sufficiently flexible to deal with short-term contingencies. The company would not comment on how long it could retain this flexibility.

Suppliers of oil to BNOC have been told that any price cut was likely to be backdated. This gesture has apparently not appeased its customers because world oil prices continue to drift downward.

Egypt confirmed yesterday it had cut prices by up to $2 a barrel, a month after its last reduction. The cuts, retroactive to February 1, bring the key Suez blend (33 degrees API) down to $29 a barrel and Belaylim (26 degrees API) down $1 to $27.

The Oil Ministry had hoped to hold January prices until at least the end of March. Officials said that market pressures made this impossible.

Egyptian production is estimated at about 750,000 barrels a day, with exports worth nearly $3bn (£1.97bn) last year. The fall in prices will reinforce government determination to cut non-essential imports in the face of a threatened deterioration in the balance of payments.

Industry analysts said that Saudi Arabia's production could fall to 4m barrels a day this month. Saudi officials said this week that production ranged between 5m b/d and 5.2m b/d.

It is understood that export demand may not exceed 3.5m b/d in February, with Saudi domestic use at about 500,000 b/d.

Kuwait and the United Arab Emirates again denied persistent reports from Japan that they had been sounding out the market on a possible $4 a barrel reduction.

Press reports in Oman suggested there could be a meeting next week of oil ministers from the Gulf Co-operation Council (Saudi Arabia, Kuwait, United Arab Emirates, Qatar, Bahrain and Oman).

In a deadly quiet market yesterday spot prices in London remained weak at about $29.

Texan gas discovery 'promising'

By Carla Rapoport

PREMIER CONSOLIDATED Oilfield has announced a promising natural gas discovery in Texas.

The company said it had completed a four-point test of an exploratory well in Lavaca County which resulted in an open-flow rate of 12.7m cubic feet a day. The well was drilled to a depth of 13,950 ft.

Premier estimated reserves in the area at more than 10bn cu ft of gas and 79,000 barrels of condensate. There are two other potential well locations on its land.

Production rates, it said, should be about 25 per cent of the open-flow rate. Sales are expected to begin in May, but will reflect the depressed state of the U.S. market for natural gas.

Premier's U.S. subsidiary owns a 66 per cent working interest in the well. Two other British companies, Venture Oil Company and Rocky Mountains Oil and Gas, also participate.

Total cost of the well was $2.3m (£1.5m).

Ward quits carbon steel

BY IAN RODGER

THOMAS W. WARD, one of the three leading scrap processors and merchants, is abandoning the bulk carbon steel sector of the business after making losses of £1.5m in the last nine months of 1982.

Ward said 16 scrap depots and 360 of nearly 500 employees in its raw materials subsidiary would be affected. The group will remain active in special steel and non-ferrous scrap.

The closure was blamed the sharp decline in the ho demand for scrap in rec years, in line with the fall domestic steel production. T total scrap market has fal from 11m tonnes worth £55 in 1977 to an estimated tonnes, worth £350m, l year.

In the past year export m kets have deteriorated.

Laker Holidays pledge

BY DAVID WHITE IN MADRID

HOLIDAYMAKERS booked for Spain with Skytrain Holidays will be able to go ahead with their trips, Sir Freddie Laker said here yesterday.

This was despite a threat by Spain's largest holiday hotel association to turn down bookings if a settlement was not reached for the debt owed them by Sir Freddie's former business.

At a meeting here on Thursday, the Zontur tourst accommodation association request immediate payment of Ptas 2 (£125,000) of the Ptas 7 owed to its members and a co mitment to pay the rest ov three years.

Zontur represents more th three-quarters of Spain's h day hotels. It said yester most of the hotels where S tain Holidays clients w booked belonged to the assoc tion.

Sizewell task force 'did not involve merchant bank'

BY A SPECIAL CORRESPONDENT

A MERCHANT bank was not involved in the task force set up to speed the design of Sizewell B, the public inquiry was told yesterday. Television and newspaper reports had said Kleinwort Benson, the merchant bank, was involved in attempts to establish a British base to sell the U.S. Westinghouse pressurised water reactor (PWR) design to China.

Mr Brian George, Central Electricity Generating Board PWR director and a meber of the nuclear task force set up by the Government in 1981, told Sir Frank Layfield, inquiry inspector, that no merchant bank had been involved in the task force "in any way and at any time."

The task force had been a non-executive body making recommendations only. Replying to a question from the Town and Country Planning Association, he said the task force had made notes, but they were not available.

Mr George said the Westinghouse PWR was selected as the basis for Sizewell B because the corporation had unrivalled experience in establishing overseas licensees and dominated the PWR market. There had been a satisfactory working relationship with Westinghouse over many years and licence agreements existed with the National Nuclear Corporation.

The design was adaptable and the Nuclear Installations Inspectorate's conclusion that there was no fundamental reason for regarding safety as an obstacle to the use of PWRs in UK power stations was based mainly on material provided by Westinghouse.

Mr Jack Newell, CEGB nuclear boiler engineer, said problems in steam generators at some PWR plants were not expected to be repeated in Sizewell B. The station would contain four of the latest Westinghouse steam generators.

The Sizewell generators would give much less trouble with tube leakage than earlier models, he said. Leaks would occur during the station's 40-year life, but it was highly probable that they would be small and would not cause safety or reliability problems.

NCB go-ahead on smokeless fuel plant

BY ROBIN REEVES

THE National Coal Board has decided in principle to build a pilot smokeless fuel plant in South Wales using the West German Ancit process at a cost of about £8m.

If the project receives a regional development grant and adequate EEC aid, the 85,000 tonnes a year plant will be built next to the Coal Board 500,000 tonnes capacity Phurnacite smokeless fuel plant at Aberaman and share its services.

The provisional approval follows recent trials in which 300 tonnes of Welsh coking coals and anthracite were shipped to West Germany to test their suitability for the Ancit process.

The first fuel-making plant has been operating successfully at Alsdorf, West Germany, for 12 years. It makes premium smokeless fuel briquettes suitable for domestic room heaters and boilers.

In spite of the go-ahead there are no plans to reduce capacity at Aberaman. This was once threatened with closure because of pollution problems and ageing equipment. It is running at two thirds capacity because of the poor market for smokeless fuel. However, the Coal Board recently spent £4m on improving the Phurnacite plant's efficiency and cleanliness.

Even with the Ancit plant any significant cut in Phurnacite capacity would be a blow to the Welsh coalfields. It employs about 900 and absorbs the output of four collieries, employing more than 2,000 miners.

Ford plans 2,900 Dagenham job cuts

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

FORD aims by 1985 to reduce the hourly-paid workforce at its Dagenham, Essex, car body and assembly plant by a further 2,900, or 28 per cent, from the 10,429 employed at the end of December.

The company hopes to achieve the reduction without a special voluntary redundancy and early retirement programme. But employees have been told such a move cannot be ruled out voluntary redundancy scheme entirely.

Ford recently introduced a at its other main UK car assembly plant at Halewood on Merseyside, where it wants to cut 1,300 hourly-paid jobs by April. This is one in seven of the 9,700 employed.

Now employees at Dagenham have been told that manning levels there are still unacceptable, as is the plant's output record.

Unions were first warned privately of the job-cuts programme last June, when Ford said the target was to reduce the Dagenham hourly-paid workforce by 3,500 by 1985. Since then 600 jobs have gone.

Ford insisted yesterday that the cuts were aimed at bringing UK plant productivity up to "the best" European levels. They had nothing to do with the reception given the Sierra.

Some dealers have been disappointed about the flow of orders for the new car.

In fact, Ford has been transferring employees to Dagenham from other plants in attempts to get Sierra production closer to schedule.

By the end of January, said Ford, output was 800 a day, against 1,130 planned. At Genk, Belgium, Sierra output has been 1,200 a day, though Ford admits the two plants are not entirely comparable.

Dagenham has much to do before meeting the end-February objective of 1,130 Sierras a day.

MP fights on despite Bill's defeat

Kevin Brown reports on Sunday trading debate in the Commons

MR RAY WHITNEY, sponsor of the Bill to legalise late night and Sunday trading, which was defeated in the Commons yesterday, urged Mr William Whitelaw, the Home Secretary, last night to set up an inquiry.

The call was echoed by Mr Tom Torney, Labour MP for Bradford South who is sponsored by USDAW, the shopworkers' union.

Mr Torney said he hoped the inquiry would recommend changes to clear up the anomalies in the system. For instance, this forbids the sale of food but allows souvenir shops to open. It prohibits sales of fish and chips but ignores Chinese takeaways.

The debate was watched from the gallery by Baroness Trumpington, whose own Bill to liberalise shopping hours passed through the Lords last year but failed in the Commons through lack of time.

Mr Whitney told the House his Bill would make it impossible "for shopkeepers who open their doors in response to the demands of their customers to be prosecuted as criminals."

Those who feared that the quality of Sunday would be destroyed should look at Scotland and France where Sunday trading has not impeded church-going.

People should not believe "the extraordinary propaganda" waged by vested interests for reasons unconnected with maintaining traditional Christian values.

Speaking against the Bill, Mr Ted Graham, the Co-operative-sponsored Labour MP for Enfield, said there was no evidence to support "the social revolution" the Bill would bring about.

Anomalies should be dealt with but that did not require seven days a week shopping.

Mr Graham said two-thirds of shopworkers were women. Encouraging Sunday trading would have "social consequences not only for these workers but for their families and ultimately for society itself."

Mr David Mellor, Conservative MP for Putney, said the Bill would leave shopping hours to customers and shopkeepers. The Government could find no objection to that.

Surprised by the protests his speech drew from Tory backbenchers, Mr Mellor stressed "the Government can raise no objection against the Bill, but I would make it clear it is not a Government proposal."

The present law was being ignored in much of the country. "The law should be credible and should command the respect of the public as a whole," he said.

Mr Roy Hattersley, shadow Home Secretary, said Sunday trading law would have to be altered sooner or later. He opposed the Bill, however, because it would change the [illegible] out of all recognition."

Midland wins court order extension on Laker suit

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

IDLAND BANK has won con-nuation of a High Court order opping it being joined as a efendant to the $1bn (£657m) images claim begun in the U.S. the liquidator of Laker irways.

In the Commercial Court yes-rday Mr Justice Parker said sertions that Midland Bank, iving been in the forefront attempts to rescue Laker ter its collapse, suddenly ined a conspiracy to destroy e airline were virtually wholly nsubstantiated.

Midland, on the other hand, ad entered cogent evidence at it had withdrawn from the scue operation solely for pru-nt banking reasons, any ber course having become ntensble.

The judge continued the in-nction, first made against aker and Mr Christopher orris of Touche Ross, its quidator, in private in Novem-er, until full trial of an action which Midland and Clydes-le Bank, its subsidiary, claim ders that they should not be ed in the U.S. or elsewhere connection with the Laker llapse.

In his U.S. action Mr Morris leges an international conspiracy to eliminate Laker as an independent air transport competitor, in violation of U.S. anti-trust law.

The defendants sre British Airways, British Caledonian, Pan American, Trans World, Lufthansa, Swissair and two McDonnell Douglas companies.

Giving judgment in open court after a private hearing Mr Justice Parker said the basis of Laker's threat to join Midland in the U.S. action was to be found in a remarkable document entitled The Destruction of Laker Airways Ltd or How the Midland Bank and British Airways combined with foreigners to force a profitable British Company out of Business.

The judge said it was "a title which savours of either fiction or journalism rather than legal exposition." It had been prepared, apparently, by Laker's U.S. attorneys, he said.

The assertions in the document were so inherently unlikely, the judge ssid, that "I am compelled to wonder whether the real reason for the desire to join Midland is not to try to force a settlement by facing Midland with fighting, wholly at their own cost, an action which may go on for years."

The judge said that Midland, which had a serious chance of obtaining the orders it sought in its action, would be considerably disadvantaged if joined in the U.S. case.

It would become embroiled in a conspiracy action covering about eight years, when it was common ground that it had not been involved until the past 10 days.

If it won in the U.S., Midland would get no legal costs; if it lost, it would face damages regarded by UK law as contrary to public policy.

Also, the English Commercial Court was the natural forum for the dispute, though the judge did acknowledge that there Laker would not be able to recover triple damages available in a U.S. anti-trust suit.

He said Midland's action should be tried as soon as possible. While the bank was threatened with a $1bn suit its banking operations were interferred with seriously.

"If they are right, this interference should be put to an end as soon as possible," the judge said.

Laker is to consider appealing.

Inquiry to hear plans for air fare rises

By Michael Donne, Aerospace Correspondent

THE CIVIL Aviation Authority will hold a public hearing into plans by UK airlines to raise domestic fares this spring.

Details of the rises have already been published. British Airways, for example, wants a rise of 5.6 per cent (£55 to £58 single) on the London to Glasgow and Edinburgh shuttle, 9.4 per cent (£53 to £58) on the London-Belfast shuttle and 8.6 per cent (£40.50 to £44) on the London-Manchester route.

The public hearing in London on February 21 to 23 will give objectors and others an opportunity to be heard before the CAA decides on the increases. So far "airlines have asked for rises to offset losses on domestic routes running into millions of pounds a year."

By collecting the applications into one hearing, the CAA hopes to streamline its procedure. In the past there would have had to be a series of hearings into individual applications.

The CAA hopes to handle a mass of applications in a similar fashion in future and will ask airlines to submit their fare proposals to cover a year instead of six months.

The other airlines seeking rises are Air Ecosse, British Caledonian, British Midland, Brymon Aviation, Geoair, Guernsey Airlines, Inter City Airlines, Jersey European Airways, Manx Airlines and Spacegrand Aviation Services.

Representatives of the Air Transport Users' Committee and other bodies, such as the Scottish Consumer Council, are expected to take part in the hearings.

Strike-breaking by troops may be illegal says Nalgo

BY PHILIP BASSETT, LABOUR CORRESPONDENT

THE GOVERNMENT does not enjoy unilateral powers to mobilise troops for strike-breaking, according to a study of Government emergency provisions by the white-collar National and Local Government Officers' Association.

Nalgo's report is of particular importance because of the current strike by manual workers in the water supply industry. It is to be presented to the union's annual conference in the Isle of Man in the summer. Nalgo has advised its water members not to co-operate with troops if they are used to replace striking manual workers.

The study, "Government Activities against Trade Unions," doubts Ministry of Defence claims that it has prerogative powers to deploy troops inside Britain, and that it needs no statutory authority.

Common law had held that the power to requisition troops was essentially a local one, lying in the hands of magistrates, says the study. It states: "As no statute has ever altered this position, it can be argued that this is still the law, and that the Government does not have in fact the unilateral power to mobilise troops for strike-breaking."

Nalgo officials suggest in the paper that the law relating to strike-breaking by troops outside the Emergency Powers Act 1920 is so confused that its meaning could be resolved only through court action or by Parliament.

The Government's claim to royal prerogative power "allows them to act in secrecy and almost beyond democratic influence."

Co-operation by Nalgo members in measures to break strikes rather than secure essential services "would be indefensible," the study states.

It concludes that "governments are now regularly using troops in strikes in 'essential' industries, possibly illegally or unconstitutionally, but certainly without Parliament ever having agreed to this activity."

It says: "There is a need for legislation to ensure that the army and police are only used during industrial disputes under strict Parliamentary control."

The study includes a survey of known cases of security surveillance of trade unionists, and of the supply of confidential information by local authority staff.

It says: "It is a matter of some concern that individual members of Nalgo might be put in the position of apparently divided loyalty, owing professional responsibility to their clients, about who they will often have accumulated large amounts of confidential information, yet being treated by agents of central government as if their primary responsibility is to the state."

Clearing bank staff reject 4% pay offer

By Brian Groom

THE FIVE main English clearing banks yesterday made their 170,000 clerical staff an opening pay offer of 4 per cent. There seems little prospect of it being increased substantially in negotiations.

The offer was rejected by both banking unions. Mr Leif Mills, general secretary of the TUC-affiliated Banking, Insurance and Finance Union, said the offer was "miserly."

Mr Jack Britz, general secretary of the non-TUC Clearing Bank Union, said: "I believe the staff will be very angry when they see this kind of response." Talks resume on February 24.

The negotiations cover staff in grades 1 to 4 in Barclays, Lloyds, National Westminster, Midland, and Williams and Glyn's, and the minimum managerial salary.

The settlement date is April 1. A final offer of about 5 per cent appears likely, after 8.5 per cent last year, but some members of the employers' side may argue for a slightly lower figure.

The CBU is claiming 8 per cent increases, whereas Bifu seeks £10 a week or 9 per cent, whichever is the greater, as part of its campaign against low pay.

The Federation of London Clearing Bank Employers justified its offer on grounds which included: the need to improve real profitability and build up capital bases; the need to curb staff costs; the business and pay bargaining climate; and the national need to help reduce inflation.

Mr Britz said the offer had nothing to do with the industry's performance, profitability, or the efforts of staff. Mr Mills, whose union negotiated separately, said: "The banks, which make not insubstantial profits, are offering their key personnel, the grade 2 cashier at 21, £84.34 a week, which is £10 less than somebody in a Post Office at age 19."

Although last April's pay deal was 8.5 per cent, the employers made a survey of 1,000 staff in grades 1-4, showing that their pay had increased in the year to October by a little over 11.8 per cent.

Current salaries in the four clerical grades range from £53 to £80 a week at the bottom to between £113 and £161 at senior clerk level.

Brittan dampens tax cut hopes

BY JOHN HUNT

IR LEON BRITTAN, Chief ecretary to the Treasury, yes-erday tried to dampen specu-ation that there would be large x reductions in the Budget n March 15. There would be no quick fixes, no give-aways, o sleight of hand," he warned.

The prospect for this year was ne of "modest economic re-overy," although it would take me for the reversal of Britain's elative economic decline to ork through into falling unem-loyment.

There was no domestic reason r a further fall in the level f sterling. The UK's monetary nd financial conditions were tight and sound," Mr Brittan id.

Expectations and uncertain-es about oil prices had an important effect on the exchange rate, but the exchange markets had already discounted some fall in the oil price.

Nevertheless, sterling's behaviour must be a component in the view which the Chancellor had to take when considering the scope for any tax reductions.

If North Sea oil prices followed world prices, lower revenues initially would add to government borrowing. However, the fall in the pound's value against the dollar since the autumn was sufficient to offset the effect of even a significant fall in oil prices.

Mr Brittan stressed that the Government would not abandon its strategy to defeat inflation. The Government and Chancellor's priority was still to create conditions for a return to sustainable growth and jobs.

● Mr Norman Tebbit, the Employment Secretary, was also cautiously optimistic on the economy yesterday. While the high unemployment totals looked back to the failures of the past, the indicators for the future were much more promising, he said.

"We have a secure financial base on which to build and a workforce which is showing that it can beat the competition when it is given the chance. Britain is well placed for the battle for new jobs as soon as the world recession comes to an end."

Budget options, Page 18
Man in the News, Back Page

Fleet Street union fight looming

BY JOHN LLOYD, LABOUR EDITOR

THE MILITANT Fleet Street branch of the Electrical and Plumbing Trades Union whose members at Times Newspapers stopped publication of The Times for two weeks over Christmas faces a head-on clash with its union executive over attempts by the branch to transfer membership to Sogat 82, the major print union.

Branch officials met senior officers of the EPTU yesterday as an inquiry began into the affairs of the branch. The union would make no comment after the meeting, saying that a report would go to the executive "in due course."

However, it is understood that all the union's Fleet Street chapels (office branches), except the Associated Newspapers chapel, have voted to continue discussions between the branch leadership and Sogat 82.

A secret meeting between the branch and the print union was held last December, and it is thought that Sogat 82 offered terms for amalgamation.

However, in a letter dated January 31 and sent to all 1,000 members of the branch, Mr Frank Chapple, EPTU general secretary, says: "The executive committee has had no discussions with any other union on the transfer of the London Press Branch and has not authorised such discussions; the executive committee has no intention of transferring the London Press Branch to any other organisation; and without executive committee authority any such discussions are in breach of the rules of the union and of the TUC procedures."

It is thought that Mr Chapple has rejected a request from Sogat 82 to the EPTU leadership for a meeting to discuss the issue.

Splits are now appearing within the Fleet Street branch on the issue. A majority still favours joining Sogat 82, or even going independent. However, a minority believes that members have been wrongly informed on a number of counts.

The minority says the branch leadership has given the impression that the EPTU executive wanted to "sell" the branch to another union, because of persistent political tension between the Left-dominated branch and the Right-dominated executive; that the TUC would not object; and that Sogat 82 could offer terms. None of these, they say, has proven to be the case.

Meetings between the chapel officers and the ETPU executive members will continue next week. The union leadership appears determined not only to retain the branch, but to change its officials.

The EPTU executive believes the move has been partly orchestrated by members of the Communist Party, against which it has waged an unrelenting and successful war.

Cheap bulk shipments lift whisky exports

By Gareth Griffiths

SCOTCH WHISKY exports were worth £871m last year and volume was slightly up on 1980, the last full year for which details are available.

The Scotch Whisky Association said yesterday the volume of exported Scotch was 251.47m litres of pure alcohol. A Customs and Excise estimate suggests exports in 1981 totalled about 244m lpa. In 1980, exports of 249.9m lpa earned £746.6m.

This slight improvement was caused by an increase in the amount of cheaper whisky exported in bulk. The industry is concerned about the long-term impact of cheap whisky on its sales.

The U.S. remained the leading market, with shipments up 5 per cent over 1980 to 78.82m lpa, worth £224m. Shipments to Japan were 25.78m lpa, worth £67m. Sales to the rest of the EEC were worth £210m. France was the largest single continental market, with £69m.

Tatchell alleges campaign of hate

BY JOHN HUNT

IR PETER TATCHELL, the eft-wing Labour candidate in ie Bermondsey by-election, ys there have been 20 threats kill him or bomb his flat and vo attempts to run him down y car. He claims these and her incidents have been pro-oked by a "sustained, hostile" mpaign against him in the opular press.

Mr Tatchell makes his alle-ations in Labour Herald, the eekly left-wing London abour Party journal. He says vastikas have been daubed on is door, he has had numerous threats in the streets, bricks have been thrown at him from passing cars, and he has been chased and threatened with an iron bar.

"They say we live in a free society," he writes. "But where is freedom of speech when those who dissent from the establishment can be hounded and destroyed by Fleet Street?"

The main thrust of the attacks in the press had been based on prejudice and bigotry, singling out his Australian origins and his support for rights of homosexuals.

The press had tried to portray him as a "leftist ogre," but was silent about his campaigning work in Bermondsey.

"Myself, my neighbours and co-workers have all been subjected to extreme harassment for months on end to unearth some titillating gossip," he maintains.

Mr Tatchell says he was hounded out of his job as a result of press harassment, and that his unemployment benefit was then suspended for six weeks on the grounds that he had left voluntarily.

Seamen in threat over pay and jobs

BY BRIAN GROOM, LABOUR STAFF

LEFT-WING LEADERS of 630 Felixstowe-based seamen said yesterday they were determined to encourage members to withhold union dues until the national leadership of the National Union of Seamen takes a toughter line over pay and jobs.

The move underlines the danger of internal strife jeopardising the union's long-standing closed shop.

Mr Henry Santamere, NUS port committee chairman, said: "Crew meetings have approved the action and it will be taken. We want the national executive to show more fighting spirit when representing our interests."

A separate bank account has been set up for union dues to be paid into, and a similar decision is believed to have been made at Heysham, in Lancashire. However, no requests by individuals to withhold their money — deducted at source by employers—are yet reported.

Mr Jim Slater, NUS general secretary, has written to branches saying: "What is definitely not required in these difficult times is any mindless sniping and carping from within. Nor do we want to see any cracks appear in one of our most valuable assets — the closed shop.

"It is a sad fact of life that when the union is busily engaged in fighting real enemies outside, some members might actually choose that moment to attack the union from within—for their own selfish political motives."

The Communist Left has been more assertive since the Falklands conflict, when it drew considerable attention to the controversial Asiao (staffing) levy which British shipowners pay to the NUS.

The executive decided recently that this should be used exclusively for campaigning against discriminatory pay levels for Third World seafarers, but the Left, which wants the levy abolished, was not satisfied.

The Left will push hard to win seats in this year's executive elections. Two out of the 12 current executive members are independent left-wingers, but they are not associated with the Communist-dominated rank-and-file movement.

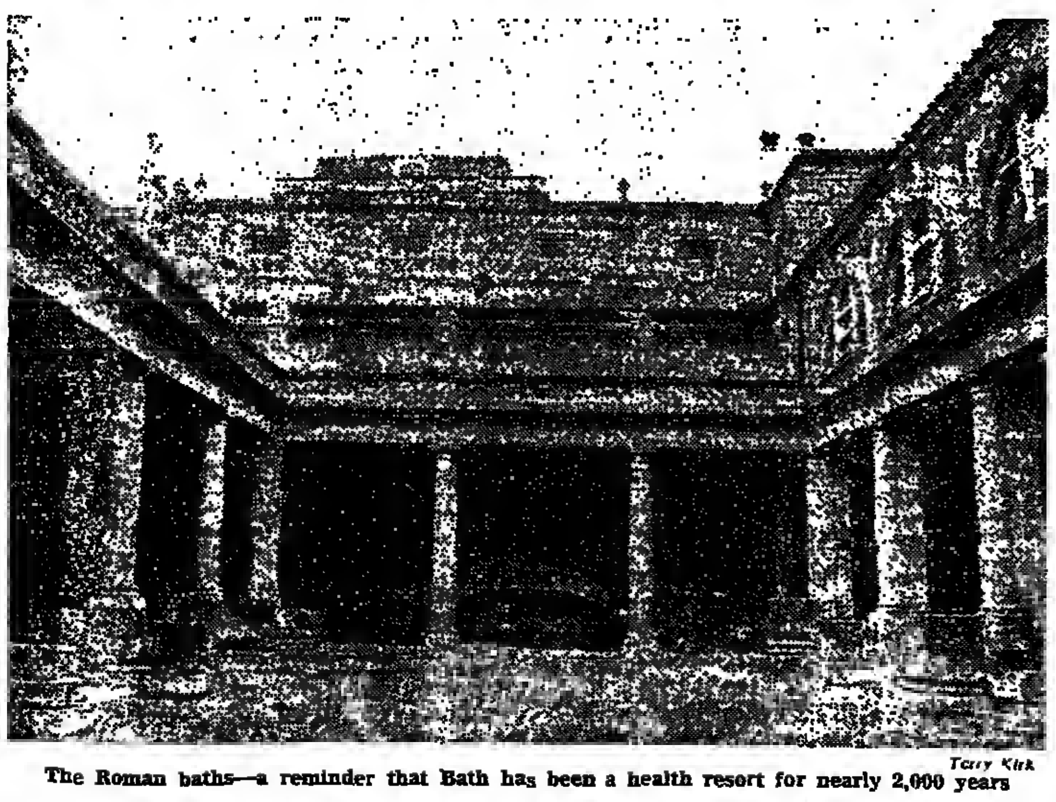
Print unions' pay claim

THE National Graphical Association and Sogat '82, the print unions, yesterday presented a claim to the Newspaper Society for a £9 a week increase on basic rates for their 17,000 members in provincial newspapers.

The claim includes demands for a flat rate supplement of £5 to be consolidated into the minimum grade rate, for a reduction in the working week from 37½ to 35 hours, and an increase in annual holidays from four to five weeks.

Gareth Griffiths sees signs of recovery in the spa business

Bath springs back to health



The Roman baths—a reminder that Bath has been a health resort for nearly 2,000 years Terry Kirk

A SCHEME to redevelop the spa facilities which made Bath famous in the 18th century has been given the go-ahead by the city council.

A consortium headed by the Rowlem property group, proposed the development, which was recommended by the authority's policy and spa committees and passed by the full council this week.

Under the scheme, three of the historic spa pools will be restored and a shopping arcade and exhibition centre will be developed.

It provides for a cash offer to the council of £400,000 with a possible increase later of £200,000 to £250,000 if structural costs are less than estimated and grants are forthcoming. Profits from the shopping development would be used partly to finance the spa development.

The cost of the spa building and conversion would be £1.6m with an annual income by the fifth year of £722,000 and expenditure of £391,000, excluding capital charges. The scheme works on the assumption that the Spa pool would operate at 75 per cent capacity and the old Royal Baths at 35 per cent capacity.

Bath's decision to redevelop as a spa comes after two setbacks in the late 1970s—the withdrawal of National Health Service support, and a scare about the water's quality after a meningitis case, which led to the closure of the baths.

Now the local authority says there are no worries about the water's quality. It received four applications from companies interested in a proposed spa development.

Until the beginning of this century, Britain was one of Europe's leading spa countries. Kathleen Denbigh in her book A Hundred British Spas, points out that the British spa dates from the late 16th century. In the 17th and 18th centuries, the high point in Bath's fortunes, spas were as noted for their fashionable life as for their medicinal facilities.

The spas adjusted in the 19th century to serve a more restrained and respectable market. The Victorian spas such as Matlock and Leamington owed much to the railways and the large grand hotels reflected the solid middle-class customers they served.

However, the story since 1914 has been one of continuous decline, although towns such as Harrogate managed to remain relatively prosperous during the inter-war years. Only Leamington now offers a pump room service, and treats about 60,000 NHS patients a year. The Royal Pump Room at Leamington Spa estimated three years ago that NHS cases accounted for 98 per cent of its workload.

However, Leamington remains the exception, and the NHS prefers to concentrate its hydrotherapy work in pools in hospitals, rather than send patients to the spa towns.

This has a direct bearing on the economics of spas. Where spas have remained prosperous, as they have in West Germany, which has more than 300 officially recognised spas, a high proportion of visitors are paid for by health insurance.

This proportion appears to be on the decline, but a 1978 British Tourist Authority mission found "levels of investment and annual promotion budgets far in excess of anything experienced by resorts and spas in Britain." Even the tourists from the UK who attend spas on the Continent tend to be of first or second generation Continental stock.

The economics of spas are fairly simple. The major benefits to spa resorts come not from the amount spent on the hydrotherapy treatments or on drinking the waters, but but rather from expenditure on hotels and services.

Dr Sigrun Lang, director of the Baden Baden spa, said a spa should be able to offer visitors "a pleasant atmosphere of relaxation, recreation, entertainment, as well as social gatherings, music, concerts and other attractive events to go to." German spas see themselves as convention venues as spa resorts.

The BTA has been keen to boost UK spas since it published a study on their problems in 1975. It argues that there are no problems over accommodation in the spa towns, and they should be marketed as pleasant places to stay rather than simply towns with medical facilities.

However, there is unlikely to be any change in the NHS policy towards spas.

A Hundred British Spas, by Kathleen Denbigh. £6. Spa Publications. ISBN 950 7574 03.

BSC reaffirms plan for local wage negotiations

BY OUR LABOUR STAFF

BRITISH STEEL has reaffirmed that it wants this year's pay negotiations restricted to local level in spite of united opposition from its union to the plan.

BSC wants to pay no national wage increase this year. For the second year running it wants unions to sign national enabling agreements to allow local negotiation of lump sum bonus deals in return for job losses and efficiency measures.

Union leaders in separate bargaining units representing the bulk of British Steel's 86,000 workers met two weeks ago and drew up a united strategy of opposition. Each wrote to the corporation to say the proposal was unacceptable, but British Steel has replied that it still wants enabling agreements by February 14.

The unions are now likely to meet again to decide when to go ahead with their plan for a joint national delegate conference on the issue. The last time one of these was held — at Sheffield last autumn, over closures — a one-day strike was called.

Some union leaders believe morale among British Steel's workforce is so low that industrial action is possible in spite of continuing redundancies and the precariousness of the business.

British Steel has proposed a minimum guaranteed bonus of 2.5 per cent. It has also suggested that improved sick pay might be possible.

Further 500 lay-offs at International Harvester

BY NICK GARNETT, NORTHERN CORRESPONDENT

INTERNATIONAL Harvester yesterday laid off its remaining 500 manual workers at Doncaster, South Yorkshire, as a result of the continuing strike at Leeds component supplier Hallwood and Ackroyd.

The U.S. company laid off 1,000 employees and halted all tractor production at Doncaster more than a week ago because of a shortage of hydraulic valves from Hallwood and Ackroyd.

The pay strike there, now in its third week, is also worrying commercial vehicle makers.

General Motors, which buys brake systems for its Bedford medium and heavyweight trucks from Hallwood and Ackroyd, said it was monitoring the supply position closely, although manufacturing had not been affected so far.

Mr Ian Page, International Harvesters UK industrial relations director, said Hallwood and Ackroyd's products were very good, but his company was being forced to explore alternative sources.

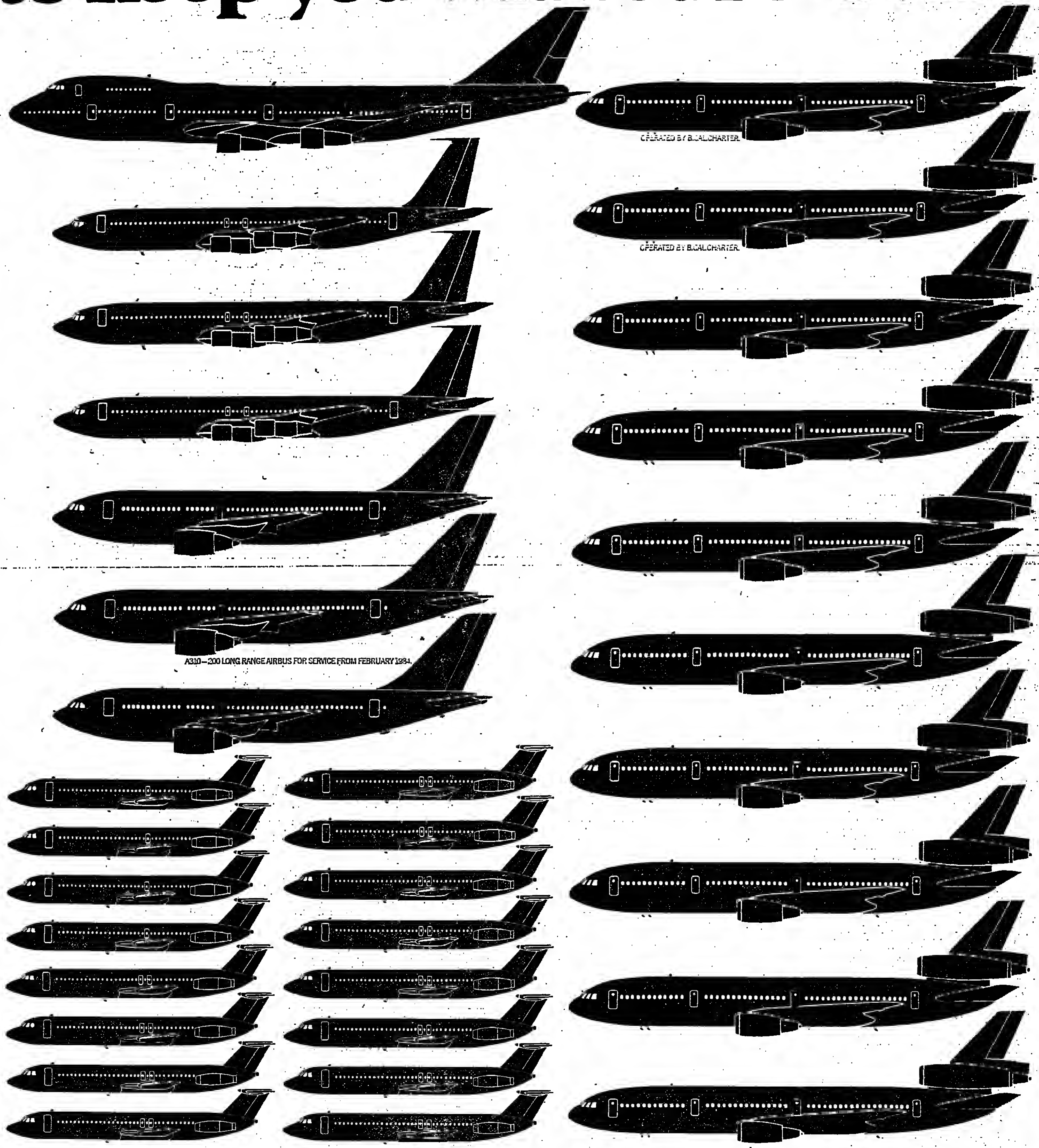
International Harvester had also begun preliminary talks with white-collar staff on ways of minimising the disputes impact on the company.

On Thursday a mass meeting of the 380 workers on strike at the Leeds company voted to continue the dispute and are not scheduled to meet again until next Thursday.

The workers are claiming pay parity with the companys plant in Lincoln. The Amalgamated Union of Engineering Workers, which represents most of the workforce, says the pay offer involves a 4.5 per cent increase on basic rates and other improvements, but Hallwood and Ackroyd management are understood to value the offer at about 8.5 per cent.

هكذا احسن التحايل

After we've impressed you with our size, we have to keep you with our service.



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Today, we're just that. We fly to key cities in some 24 countries in Europe, North Africa, America, South America, Middle and Far East.

Of course, that's something the other big boys can offer too, but we think we have an advantage.

As an independent airline we're dependent on our customers.

If we don't carry enough of them there's no government department to carry our losses.

So however big we get there's one thing we'll never be.

Too big to care.

We never forget you have a choice.

British Caledonian

هكذا منك التكامل

THE WEEK IN THE MARKETS-1

Equities ride ahead undaunted

LONDON

ONLOOKER

It seemed a contradiction that on the day that the unemployment figures were at a peak indices of the equities market reached all-time highs.

While Parliament on Thursday deplored the jump in the jobless total to over 3.2m the FT Industrial share index bounded 14.5 points to 646.8, against a previous high of 637.4 seen on November 12 last year. On the same day the FT All-Share Index topped the 400 mark for the first time.

Government securities, which had enjoyed a boom at the time of the previous peak in equities, remained dull amid uncertainties about the U.S. budget, although there was a modest temporary rally by sterling from an all-time low against the dollar.

Trading levels on the London Stock Exchange, which had been buoyant since the beginning of the year, also reached a record on Thursday.

The contrasting movements were a clear demonstration of how tha market is a measure of future expectation rather than a monitor of current and past failures. Equities were bubbling on the prospect of a "give-away" UK Budget and some scent of economic recovery.

Yesterday the FT Industrial Index was edging down but still finished the week up 24 at 644. Sterling, however, continued to suffer from the weakness of the oil price and wallow around its lowest point at \$1.5195, down 1.65 cents, and the trade-weighted average was 81.0 against last week's level of 80.9.

Docks set for sale

The Government has decided to embark on another privatisation voyage by selling off half its share in Associated British Ports, in the hope of being able to find its way past tha Scylla of Amersham-style under-pricing and the Charybdis of a Britoil investor boycott.

After an embarrassing flirtation with a tender offer for Britoil, tha Government is to revert to the selling procedure used for Amersham—a fixed price offer, which values tha company at £44.8m, only a third of its net asset value.

The other indications that the company and its 19 ports may have been undervalued are that the share price of 112p is only 10.6 times the 1982 fully-taxed earnings (pre-tax profits are estimated to be £8.8m after adjustments), while the prospective gross dividend yield is nearly 9 per cent.

The upside potential is certainly large as overseas trading, both exports and imports, begins to pick itself up from the recession. The group may also be able to boost its market share at the expense of the bombed-out Merseyside dockland. Most of the costs of running the ports are fixed so that the revenue generated by additional traffic will pass straight through into the pre-tax profit figures.

All this assumes that the ports' highly unionised force of dockers, cut by 2,000 to 9,250 in the past two years, do not try to corner for themselves too large a share of the extra revennes passing through the group. An inter-union dispute at the group's largest port in Southampton was a major reason for the group's 1981 pre-tax loss of £10.8m.

The 3,600 registered dockers and all other employees are to be assuaged with a cut-price share offer. Whether the Government retains an absolute majority stake or not, depends on bow many of them accept. But in any case, asset-stripping is ruled out and the Government has made slightly off-putting hints as to where ultimate control will reside by recalling the importance of Southampton port in the Falklands war—and of ABP's other strategic assets.

Not all of ABP's ports have the sex appeal of Southampton. Five are in South Wales and a further three in the North-West. The efficiency of the Humberside group of ports has been raised however with investment in roll on/roll off services and specialised container terminals.

Hambros cashes in

In the best traditions of an old horror film the awful spectre of Reksten stalked the corridors of 41 Bishopsgate, home of Hambros, periodically draining life blood from the bank's hidden reserves. But in sacrificing part of a prized limb this week the Hambro clan has finally laid the ghost of Reksten to rest.

Hambros Bank's disastrous involvement with the collapsed Norwegian tanker group, Reksten, has drained around £70m out of the bank's hidden reserves over the years. A string of asset disposals had been arranged to make good some of the losses yet finally part of the bolding in Hambro Life had to go too.

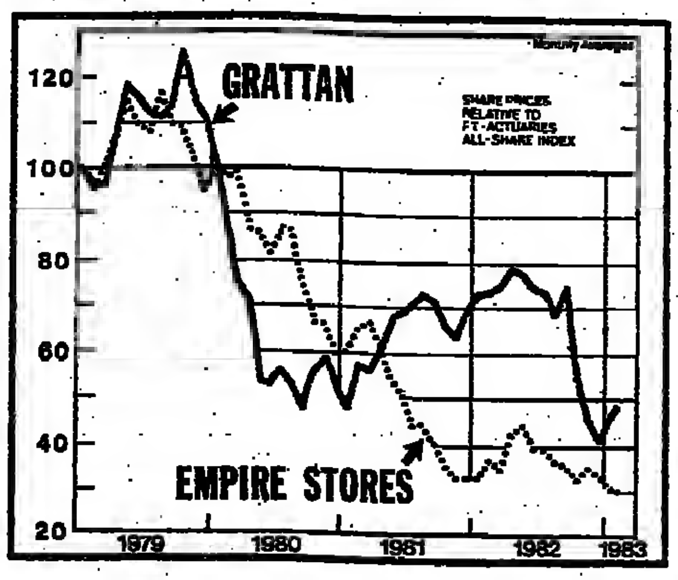
This week Hambros Bank raised a net £38m by selling a third of its 37 per cent holding in Hambro Life to a group of institutions. This should give the bank a book profit of around £30m — a figure some distance from the clutches of the tax man. About half that amount will find its way back into hidden reserves after a £5m provision for deferred tax and £10m off short term debt.

The cash raised in this major sale should more or less equate to the written down value of the tanker fleet in Hambros' books. At long last Hambros has finally closed the book on the Reksten saga while sufficient proceeds should be left to give the banking division more muscle. No longer will the banking men live with the stock market's observation that their own market capitalisation was worth no more than the holding in Hambro Life.

Yet while the disposal has sorted out the legacy of a rusting tanker fleet, City analysts were hardly overwhelmed by the move. Hambros has given up a slice of high quality income from the insurance group. It will now bave to replace that with less certain banking profits.

Sears' mail box

The two listed mail order companies in Bradford, and their shareholders, have much to think about. Empire Stores (Bradford) and Grattan have been invited by Sears Holdings to join forces in a new company to challenge the market leaders in the agency mail order industry.



Sears plans to inject £16m into the company and take a 20 per cent stake in return thus valuing its investment at 80p per share. The merged business is to be called, somewhat unimaginatively, Newco in which former Empire shareholders would bave 44.2 per cent and Grattan would bave 32.6 per cent.

Sears had been expected to bid for Empire and, indeed, bad been talking to the board almost from the moment that the £37m bid from Great Universal Stores for Empire was referred to the Monopolies Commission.

Tha deal that Sears has put together is an intriguing one. For a relatively modest initial investment it takes a stake in a business which is expected to recover from its recent profit bruising. It offers, moreover, an opportunity to push sears' Wallis chain and Selfridges merchandise through an extensive and sophisticated mail and homa delivery distribution system.

Newco is still some way from its inception. GUS, which bought a 29.9 per cent stake in Empire bas to be convinced either to support the deal or sell out on terms which imply a significant book loss. GUS must eventually reduce its bolding below 10 per cent within some time limit yet to be agreed with the Office of Fair Trading but the disposal clock has not started ticking yet.

Grattan said almost immediately that it thought these merger plans have merit but Empire is not so sure. It feels that a combination of Grattan's and Empire's warehousing systems must mean redundancies in the depressed Bradford area and is confident that with stringent debtor controls and some weeding out of the agency network it can get its results back into the black later this year.

Reed on turn

Depressed newsprint prices introduced an element of irony into the latest performance at Reed International. In North America the lower prices have hit the group's paper making division while in the UK they were good news for the Daily Mirror.

Combined with increased cover price the newspaper turned in a strong third quarter contribution while elsewhere in the UK benefits from three years of surgery are beginning to emerge.

Mainly on the back of publishing and break-even in decorative products the operating profit at home rose 29 per cent to £16.7m. But this was not enough to offset the setback overseas with U.S. wallcoverings remaining deeply in the red.

With interest costs £1.7m higher group pre-tax profits for the three months to January were left down from £17.7m to £13.9m putting the nine month total at £40m against £55.7m last time.

The downturn was not quite as bad as some bad feared following the 30 per cent slide at midyear. But the market has reduced earlier forecasts for full year pre-tax profits to around the £57m to £60m range compared with the 42 per cent advance to £71.6m last time.

Reed, with its feet beavily into the fickle paper manufacturing industry, never has been a steady performer.

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1982/3 High	1982/3 Low	
F.T. Ind. Ord. Index	644.0	+24.0	646.8	518.1	Economic and Budget optimism
F.T. Gold Mines Index	668.5	+19.3	699.0	181.2	Bullion goes above \$500
Arlen Electric	380	+163	380	18	Persistent speculative buying
Bio-Isolates	430	+145	430	44	U.S. OTC share listing
Boots	253	+18	293	193	Tim. Whites rationalisation plans
Bullough	420	+105	420	144	Bumper results
Canning (W.)	61	+13	70	36	Planned USM quote for subsid'y.
Carless Capel	178	+30	783	112	Awaiting Horndean drilling report
De Beers Dfd.	492	+54	497	165	Bullish broker's circular in U.S.
Gold Fields S.A.	£81½	+11½	£82	£19½	Improved first-half results
Hambros	135	−22	163	100	Hambro Life share-placing
Hanover Investments	110	+56	122	37	Aquisition of Druce and Co.
Int. Petroleum	240	+198	295	17	Saleh drilling report
Land Securities	293	+13	312	242	Revived demand
Mettoy	42	+14	50	6	Dragon computer interests
Peek Hldgs.	32	+18	43	4¼	Aggresive speculative buyer
Ransom (Wm)	195	−67	262	195	Interim profits slump
Sunrie	78	+16	100	32	Bid from Messrs. Tillman and Ross
Utd. Guarantee	41	+11	43	7	Press comment
Vosper	249	+84	249	132	Compensation hopes

Signs of recovery

NEW YORK

RICHARD LAMBERT

SIGNS OF an economic recovery in the U.S. are beginning to appear almost every day. This week has brought news of a strong rise in factory orders and a sharp turnround in machine tool demand in December. The rate of unemployment eased in January, and reports from the big retail stores indicate that consumers have at last started to dig into their pockets in the past few weeks.

This is the news that the stock market began to discount late last summer. But the bull market has made little progress since November, and Wall Street's main concern now is about the duration of the recovery, and the outlook for inflation.

The most telling indicators are to be found in the bond market. There has been littla movement since mid-January in the closely watched Federal Funds rate, which may be because the authorities are doing everything in their power to bold down short term money rates. But the yield on three month Treasury Bills has risen by roughly balf a point, and this increase has spread all the way down the line to the long end of the bond market. This Thursday, the yield on 30-year Government bonds edged back over 11 per cent.

There are several explanations for this weakness in the credit markets. If the economy really is beginning to pick up, the Federal Reserve Board will be under less pressure to drive interest rates down, and may be inclined to start tightening the reins following recent surges in the monetary aggregates.

Meanwhile, the signs of economic recovery are already proving a real tonic to share prices in some sectors. The stores, for instance, have been doing well. One to watch is J. C. Penney which has jumped by around a fifth to roughly \$53 in the last fortnight.

Penney's management has built up an impressive track record in recent years, pushing aggressively into new merchandising areas and producing bealthy profit figures despite the unfriendly trading climate. This week, Penney announced a major modernisation programme, which wil place much greater emphasis on apparel, leisure lines and home furnishing, and reduce the involvement in low margin goods like domestic appliances and hardware. Analysts reacted very positively to this development, even though it will result in big write-offs against profits in the final quarter of 1982. Excluding these especial charges, last year's earnings may come out at around \$5.50 a share, and there are estimates of about \$6.20 a share for 1983.

The biggest mover of the week, however, has been Pan Am, which shot up from a very depressed level to beavy trading, before profit taking set in yesterday morning. The two obvious explanations for the rise were the disarray in Opec—a big fall in fuel prices would be of enormous value to Pan Am—and the publication of a prospectus relating to a planned convertible note offering by the airline. This indicated that although Pan Am's finances are in very poor shape, it should with a bit of luck be able to lay its hands on enough cash to get through the recession.

In that case, the airline could at last start to make a decent profit on its annual revenues of around \$3.7bn. But it is still making heavy operating losses, and its performance is extremely sensitive to any movements in the volume of traffic and the price of its tickets. So the shares remain very risky, and they are no longer in the penny stock category with a market capitalisation of roughly \$400m.

The railroad stocks bave been pushing ahead too, which has helped to push the Transportation Index up close to its recent high point. Just as with the airlines, profits in the railroad industry are very volatile, and make big swings up—and down—during the economic cycle. In addition, a strike by independent truckers is beginning to push a little extra business on to the rail system. Finally, the Interstate Commerce Commission is expected to announce in the next few weeks that the railroads can adopt rather less conservative accounting procedures than they are obliged to follow at present. Although the impact would be more cosmetic than real, such a move would make the earnings of some railroad companies look significantly higher than they do at present.

MONDAY	1,075.70	+10.95
TUESDAY	1,059.79	−15.91
WEDNESDAY	1,062.64	+ 2.85
THURSDAY	1,064.66	+ 2.02

Ups and downs Down Under

MINING

GEORGE MILLING-STANLEY

"The MARKET in Australian mining shares is a notoriously volatile place, and the events of this week must have set many an investor's heart a-flutter."

That sounds like fair comment, after a week in which Australia's Prime Minister, Mr Malcolm Fraser, called a General Election for March 5. Elections are always unsettling for stock markets, as we in this country will no doubt soon be reminded.

Most political commentators incline to the view that Mr Fraser, a canny politician, decided to end his administration several months before he needed to in order to take advantage of the current disarray in the opposition Labor Party.

That disarray reached alarming proportions not long after Mr Fraser's announcement, when Mr Bill Hayden resigned as Leader of the Opposition. He seems certain to be succeeded by Mr Bob Hawke, a former president of the Australian Council of Trade Unions.

Bob Hawke bas the reputation of being a doughty fighter, and he will certainly give Mr Fraser a run for his money. A Labor victory is a distinct possibility, and that is what is worrying investors in Australian mining companies.

Apart from all that, Broken Hill Proprietary, the country's biggest company, announced yesterday that its net profits for the six months to November 30 had collapsed to A\$2.25m (£1.43m), compared with A\$57.5m a year earlier.

That shook the market even more, with metals and mining shares bearing the brunt of the falls in prices.

In fact, the sentence quoted at the head of this column was written as long ago as October 1980, shortly before the last Australian General Election.

The main cause of the market's jitters that time was an opinion poll predicting a victory for Labor — further proof, if any were needed, of the unreliability of opinion polls, as of course, Mr Fraser came out on top in that election.

The market in Australian shares, especially mining issues, took quite a dive that week, just as it bas done in the last couple of days.

This column set out then to reassure investors that panic selling was not an appropriate response to the possibility of a Labor Government, and nothing has happened in the meantime to change that view today.

That column from two-and-a-half years ago ended with another thought which has not lost its relevance:

"There is a distinct possibility that fears of a Labor victory will be overdone in the share market, and even if Mr Fraser does lose, the market could rise immediately afterwards as investors realise that such an eventuality has already been fully discounted."

There is another point worth making about this week's slide in Australian mining stocks. This section of the market bas had a pretty good run in the past few weeks, helped by the signs of renewed strength in metal prices, especially gold, and the apparent trend towards lower interest rates.

A correction was due—some might say overdue, given the highly speculative nature of several of the recent high fliers—and the market took the opportunity of the political turmoil to achieve a much-needed downward revision.

Those investors who were nimble enough to be among the first to sell will have recorded sizable profits, and now have the chance of buying back into the market at the new lower levels, should they so wish.

Dealers seem convinced that the latest reaction in prices will be fairly short-lived.

Perhaps the best thing to come out of all this is that the downturn gives investors the opportunity to pick up shares in the better-class companies such as Western Mining and MIM Holdings, somewhat more cheaply than they could have done a week ago.

The more speculative stocks had taken over the running, and the market was beginning to look a little "frothy." No-one can complain if some of that froth has been blown away.

There is another sector of the mining share market which could be in for a dose of the same medicine some time soon.

South African gold shares have been outstanding performers since the middle of last year, but the market is starting to look as though it may have overreached itself, and we could well see a correction before long.

The impetus for this has come from the rally in the gold price, but as the accompanying chart shows, the FT Gold Mines index has streaked ahead of bullion in recent months.

Share prices have become divorced from reality, in the sbape of the gold price. If gold does not move up strongly, and soon, share prices look set to tumble.

There are already signs that the market may be getting a bit nervous. Share prices have begun to over-react to relatively small movements in the bullion price, as witness this Wednesday, when the index dropped 25.7 points in a day when gold fell only \$8.

Granted that the fall in the index was from the all-time peak of 699, and that the decline in the gold price took it below the important \$500 per troy ounce mark. Even so, the reaction in the index can only be described as excessive.

Once again, the message to investors must be: Don't panic. The correction, as with Australia, will probably not last very long.

Now could well be the time for a little judicious pruning of portfolios, encompassing a shift in emphasis away from the more purely speculative stocks and towards the high quality mines such as Driefontein Consolidated, Vaal Reefs and the like.

● As far as company results are concerned, the highlight of the week was undoubtedly the report from Gold Fields of South Africa (GFSA) on its performance over the six months to December 31, the first half of the group's financial year.

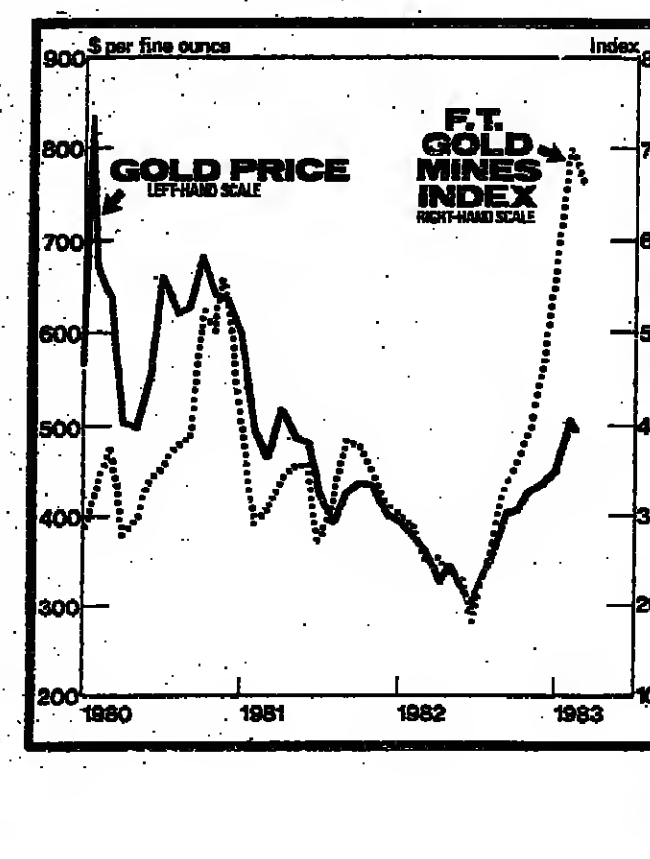
GFSA, which has holdings in some of tha best gold mines in South Africa, showed net profits of R66.3m (£40.5m), against R50m in the corresponding period of the year before.

The group went on to make a total of R131.8m in 1981/82.

The interim dividend was maintained at 180 cents a share, covered 2.3 times by earnings of 406 cents. The final could well be above last year's 320 cents, but perhaps not by as big a margin as some people would like. The group has already expressed a desire to increase the amount of its dividend cover.

Earnings could be even higher in the current half, as there is always a delay in the translation of an improved gold price into higher profits and dividend declarations by the individual mines. Thus GFSA will not reap the full benefit of the rally in bullion until the next round of dividend payments.

There are grounds for optimism in this for all shareholders, among whom London's Consolidated Gold Fields, with 48 per cent, is by far the biggest.

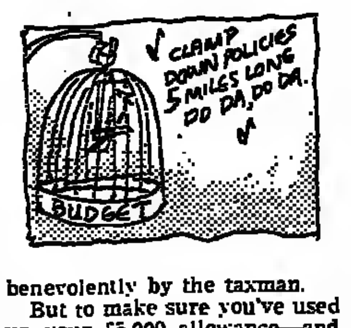


Clive Wolman gives a guide to saving money by trimming your tax bills

A weekend break before the Budget

HURRY, hurry, hurry! You have only three more chances to take a "weekend break" with your capital gains (or losses) before the taxman pounces on you at the end of the fiscal year.

The much-loved British practice of bed-and-breakfasting was wiped off the tax-conscious investor's list of annual duties by the latest Finance Act and replaced by a more expensive set of transactions. Stockbrokers are looking forward to a brisk Friday-to-Monday trade with plenty of commission earned for relatively little work.



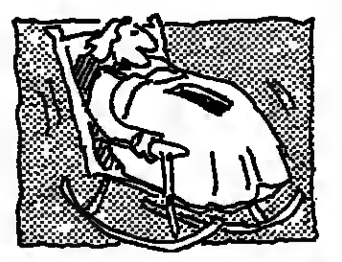
The private investor is currently given a tax-break worth up to £1,500 by being exempt from capital gains tax on the first £5,000 increase in the value of his capital in any one tax year—and that limit applies only after adjustment for inflation and excludes owner-occupied homes and various other investments regarded benevolently by the taxman.

But to make sure you've used up your £5,000 allowance—and it can't be carried forward to the next fiscal year—you have to crystallise your gains. Waving your Polly Peck share certificates at the tax inspector won't convince him—you actually have to sell them. Conversely, if you've marked up more than £5,000 gains on your portfolio but you've got a nasty-looking cocoa futures contract, then you can sell it and use the loss to offset your gains elsewhere.

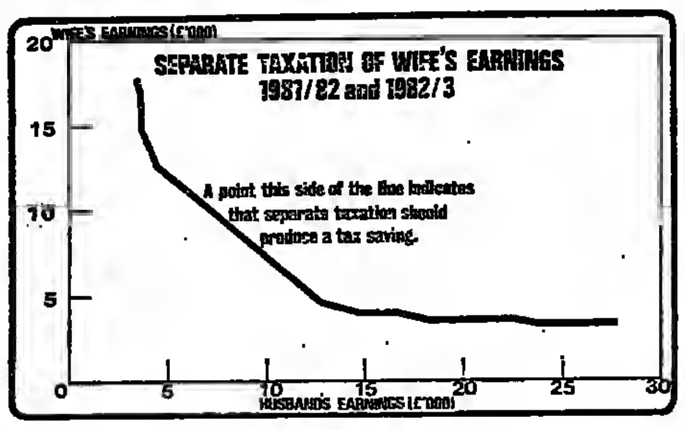
In the good old days, if you wanted to hold on to your shares, you could sell the necessary holdings late one afternoon and buy them back after breakfast the next morning. Now you have to do it over a weekend between account periods, when prices may move against you, and pay broker's commission of 1.625 per cent twice over (instead of once) and stamp duty of 2 per cent on top. With futures contracts, you have to sell and re-acquire between different settlement periods.

There are only three account period ends between now and April 5 — February 18, March 4 and March 18. If possible, don't leave it until the last date —you might lose out in the selling or buying rushes.

These are some of the other items private investors should note in their checklists to complete before April 5.



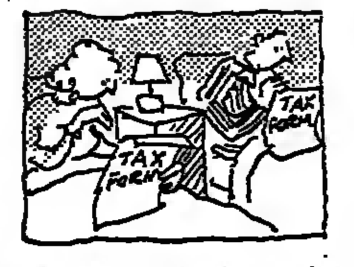
● Pensions for the self-employed: Consider using up the full allowance of 17½ per cent of your net relevant earnings which can be put tax-free into a pension policy of your own choice in any one fiscal year. Up to 5 per cent can be used to pay premiums for a life insurance policy. Remember this sum obtains relief at your top rate of tax.



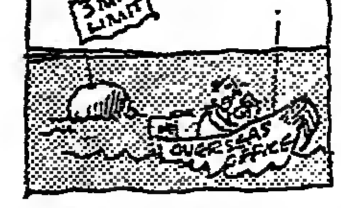
● To save capital transfer tax, consider using up your £3,000 annual exemption on gifts (£6,000 for a married couple). The amount can be carried forward for one fiscal year and no more. If any of your children have got married since last April, each parent may give £5,000 to them tax-free, while each grand-parent may give £2,500 and anyone else may give £1,000. But this must be done before the fiscal year ends.

If you have been using a discretionary trust, get in touch with your tax adviser quickly. Distributions made out of the trust before the end of March benefit from an 80 per cent reduction in the normal rate of capital transfer tax.

Thereafter a tax charge will be imposed on each ten-year anniversary of the trust, at 30 per cent of the lifetime CTT rate.

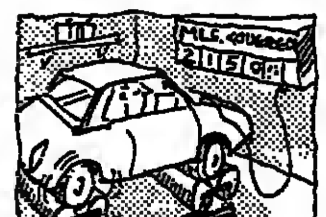


● Separate taxation for married couples: Until April 5, a husband and wife may elect to be taxed separately on their earned income only for the whole of the current tax year. The graph produced by Tony Richards of stockbrokers Quilter Goodison shows the circumstances in which separate election is advantageous. Mortgage tax relief and pension contributions should be deducted from the relevant earnings figures — and adjustment also has to be made for dependent relative allowance, age allowance and other allowances.



● Working abroad: It may be worthwhile rescheduling business trips, to get up the 30 "qualifying" days of overseas work. This will entitle you to a 25 per cent reduction in the amount of your income which is taxable for the relevant period. If you have spent much longer abroad, you may get a 100 per cent deduction. For the detailed provisions, see Bill Packer's and Elaine Baker's book: "A Tax Guide to Remuneration and Fringe Benefits (1982) Macmillan.

● Charitable gifts: You can still obtain full tax relief on any charitable gifts you've made during the year, if you make a covenant to give the same amount to the charity in question for a further three years.



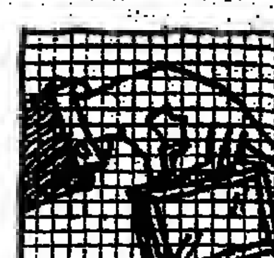
● Company cars: If, as April 5 approaches, you are within a few hundred miles of using your company car either for 2,500 or 18,000 miles of business use, then consider making immediately that long-postponed visit to the branch office in Carlisle or Truro. The tax you face on the imputed income from the use of the car will then be cut by 33 or 50 per cent.

The other date worth watching out for is that of the Budget, on March 15. In this the Chancellor may be tempted to clamp down on various tax avoidance schemes. So action to minimise your vulnerability should be taken in advance.

One loophole opened up last month by a decision of the House of Lords, which may well be closed in the Budget, concerns the taxation of scholarships and bursaries paid out normally by company trusts, to the children of employees. Such scholarships are no longer considered taxable as income in the hands of the employee.

If your child has won such an award this academic year, try to ensure the full amount is payable and paid before Budget day. Any legislative change is unlikely to be retrospective—in view of the Tory party's oft-stated views on the subject.

The other possible target for the Chancellor is the offshore sterling and foreign currency "roll-up" funds, the interest from which is currently not subject to income tax. These funds have been growing rapidly since the autumn when the Inland Revenue decided not to fight a legal battle over their taxation.



Sooner or later the Government will be compelled to act against the funds. As Mr John Kay, director of the Institute for Fiscal Studies, says: "At the moment the tax loss is small. But if nothing is done, word will spread around and everyone—even grandmothers—will put their money into these funds instead of into savings accounts."

There have been several indications that the funds may escape this year's Budget unscathed. But in case they don't, consider putting money into the funds just before Budget day. The wording of the crucial section 478 of the 1970 Income and Corporation Taxes Act, which deals with overseas investment, makes it possible that the purchase of shares in the funds made before any amendment announced on Budget day would exempt the holder from income tax for evermore.

Identification for CGT

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

In 1947 my wife inherited shares in an Investment Trust, some of which she still holds. In the near future she will inherit a larger number of shares in the same Trust. Am I correct in supposing that the first batch of such shares which she sells after the second inheritance will be identified with the more recently acquired shares, on the new principle of last in, first out? Or will they be identified with the shares held since 1947 and the capital gain for tax purposes be the excess of current price over the value on 6/4/1965?

It is a pity that you did not give us more precise facts and figures (including the name of the investment trust), as that would have enabled us to give you a simpler and more helpful answer.

From what you say, we infer that:—

(a) the 1947 probate price was lower than the doomsday (6.4.65) price;

(b) your wife did not elect (after March 19 1968) for her doomsday holdings of equities etc. to be pooled;

(c) the person from whom she expects to inherit further shares died after April 5 1982.

If these assumptions are correct, then you are right in deducing that a sale (in the remainder of the current tax year) will be identified primarily with the latest parcel of shares. The third assumption is crucial.

If it is still open to your wife to elect for her doomsday holdings (other than preference shares, debentures etc) to be pooled, ie, if she did not dispose of any relevant shares etc. between March 20 1968 and April 5 1981 (inclusive), it is worth considering making such an election, before the end of the tax year. After the end of the tax year, she should consider making an election for parallel pooling, under the proposals mentioned on the back page of the Christmas Eve FT. Unfortunately we cannot guide her choice on either election without a full analysis of her portfolio (and details of any foreign-currency bank accounts which she may have, etc). Both elections are irrevocable, so a crystal ball may be helpful, in addition to an electronic calculator.

It looks as though parallel pooling will have attractions for quite a wide range of taxpayers (including those with foreign-currency bank accounts). For 1982-83, the effect appears likely to be that an election for parallel pooling will be either neutral or advantageous; in future years, however, the general tendency may be reversed.

Action in case of fraud

In a case where a crime has been committed, such as fraud, is it not the case that the period for bringing an action for loss and damage is extended beyond the normal 6 years?

The six year period is absolute and cannot be extended, but it runs (in a case of fraud) from the time when the fraud was, or ought to have been discovered by the plaintiff. If a writ is issued (not merely a claim notified) within 6 years of that point of time, there will be no bar under the Limitation Act 1939.

Television licences

My brother-in-law and I share the old family house. We have divided it so that we are completely separate, but there is a communicating door for emergencies and high days and holidays. We each have a separate access to the garden which we also share. The house is rated as one unit in my name but we share the total cost of the rates equally. For many years we have taken out one TV licence to cover the three sets we have between us. It seems to us that this is quite fair, but is it legal?

We think that you would be required to have two television licences, one for each establishment.

Exemption from CGT

I was interested by your replies to queries concerning the annual permissible gifts of £3,000 to be effected by transferring that percentage of value of a house to one's son.

I raised the matter with my solicitor and a member of a leading firm of accountants but neither have been able to tell me how to put this into effect.

It is necessary to have the house divided into shares, professionally valued, and is any stamp duty liability incurred?

We envisage a declaration of trust which would established a trust for sale with the beneficial interest in equity divided into a suitable number of shares, eg, 500 or 1,000. Then in any given year there can be an assignment of as many of the equitable shares as will come near to, but remain below, the £3,000 value based on the current valuation of the property. This would not give rise to a charge for ad valorem stamp duty, but only to the requisite deed stamps.

Tax on property bonds

My wife and I own £1,000 each Abbey Life Property Bonds and I have returned on my tax form the amount of the cheques we have received from the company.

The Tax authorities insist I should return the gross amount before the company deduct their perspective liability for Capital Gains Tax.

They have also added to my return of Income £40 in respect of increases in policy values. Even if the amount is correct should this not be treated as Capital Gain and not Income?

It looks as though your tax inspector is in a muddle. The best solution may be to seek the help of the insurance company, since they know the full facts (and they have a commercial interest in ensuring that policyholders are not over-taxed). Meanwhile, we can say that whatever tax liability you have is to Income Tax (not Capital Gains Tax), as explained in our reply to your enquiry of November 2 1981, which was published on December 12 1981. If the company cannot help you, please let us have copies of the papers which accompanied your cheques etc, so that we can see what the precise facts are.

Tenure of a garage

For ten years I have rented a neighbour's detached garage, paying the rent promptly by cheque quarterly in advance, with a verbal agreement for three months' notice by either party to run from the due date. In July last year I increased the rent by £13.50 a quarter, when asked for more, and reaffirmed the arrangement regarding notice. I paid as usual on October 1, not knowing the payee died a few days before. On November 6 I received a note from the payee's son asking me to vacate the garage by the end of November as the house was to be sold. I replied on November 8 claiming a right to stay until March 31 next.

I have now received solicitor's letters stating that (1) the payee did not own the property but lived there rent free by favour of the sons and was not legally able to create a tenancy; (2) my cheque dated October 1 was not presented; (3) my occupation of the garage must end on December 31 for which period their clients would accept a remittance; (4) there could be no question of a tenancy nor period of notice; (5) if their clients could extend the use beyond December 31 they would let me know (this in a second letter headed "without prejudice").

I contend that the payee was fully entitled to let the garage, either as principal or agent and that the sons were well aware of this long-standing tenancy. (The garage was let previously to a motor mechanic who ran a business servicing cars from it.) What are my rights of tenure, if any? Could I be penalised for holding up a sale of the house and garage? There is no alternative accommodation nearby and it is important to me to have garage cover during the winter months.

If the person to whom you paid "rent" was neither the owner nor a tenant of the garage, you could have no tenancy yourself unless you could establish that the payee was in fact the agent of the owner. However it is likely that you could claim to have a licence coupled with an interest which is of such a nature as not to be revocable at less than the contractual notice. By reason of such a doctrine, or estoppel, you could claim your full notice; but you would not have any security of tenure (even if you had been a tenant). If these claims were to fail you could be liable for any financial loss caused by delay in a sale of the house and garage.

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YOUR SAVINGS AND INVESTMENTS—2

Rosemary Burr reports on advantages and pitfalls of investing in money market funds

A question of high interest to savers

ALL INVESTORS would like to get more interest on their deposits. It is therefore hardly surprising that money market funds offering customers higher rates than on ordinary bank deposits have flourished for some years in the U.S.

The American money market funds sprang up in response to the tight regulations imposed on U.S. banks which effectively meant they could offer only a very poor return on short-term deposits.

The idea behind the funds is simple. Customers' money is pooled and placed in the wholesale money markets. The fund manager deducts a small fee and clients end up with a higher rate of interest than if they had chosen a conventional bank deposit account.

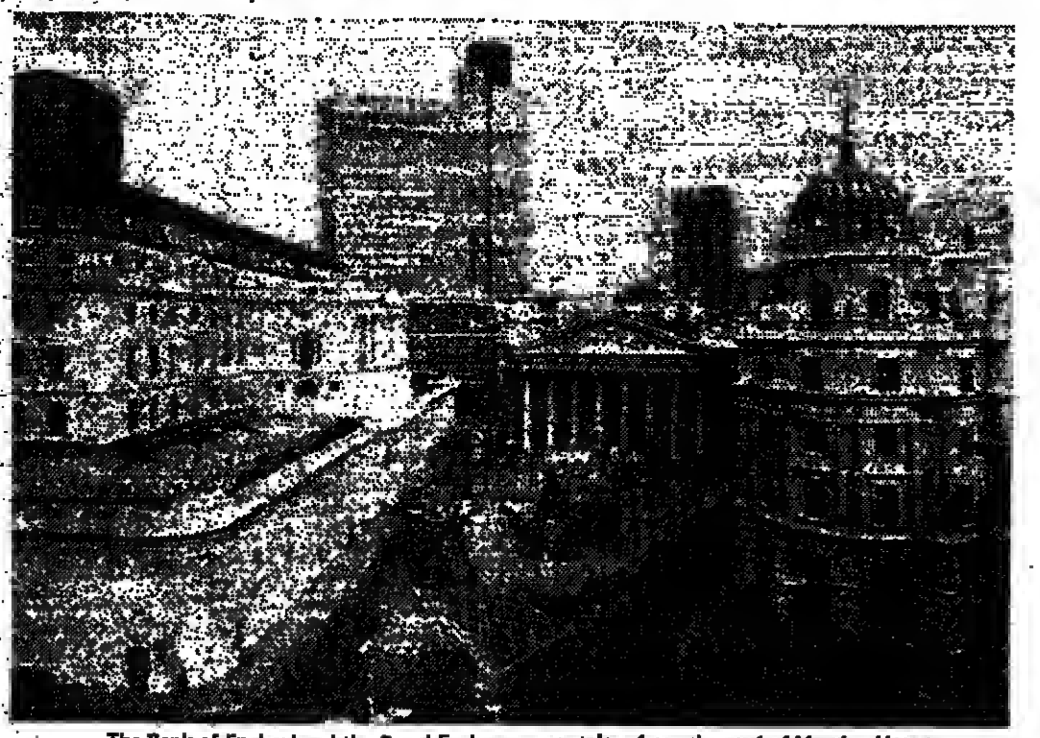
Money market funds have not really taken off in the UK largely because the British banks were not encumbered by the type of rulea that restricted American banks' freedom of action in the past. However, savers have become used to getting returns in double figures on their deposits and the recent drop in interest rates has left a large portion of the public hungry for juicier income.

So in the last few months two new higher interest accounts have been launched and there has been growing attention paid to existing money market funds. At least two money brokers and a stockbroker are seriously considering whether to launch similar funds.

A certain amount of confusion has been generated by these developments. There are basically two products in the market which on the face of it give the customer the same service but which offer different levels of protection for depositors.

First, there are higher interest rate deposit accounts offered by licensed deposit taker or banks. These may or may not provide depositors with a cheque book. Examples are the Schroders seven day account, Western Trust and Savings money market plan, Tyndall's funds and the high interest account marketed by Save and Prosper.

The important point to remember about these is that they are part of the bank's normal deposit taking activity. As such their literature cannot state that they are backed by specific assets.



The Bank of England and the Royal Exchange area, taken from the roof of Mansion House

In the unlikely event of one of the banks running such a scheme getting into financial difficulty depositors with money in the higher rate accounts will have to wait in line with the bank'a ordinary depositors. However, they would be able to claim under the bank deposit scheme which came into effect in February 1982.

Under this scheme small depositors with balances of up to £10,000 in one of the UK's 600 recognised banks or licensed deposit-takers can get 75 per cent of their money back if the institution folds.

Second, there are money market funds such as those run by Simco, a subsidiary of Mercantile House, the international financial services company, and Mallinhall. The Bank of England has decided that companies which take deposits for a trust fund are in effect in the business of deposit-taking and therefore need a licence.

The Bank has taken a refreshingly pragmaatic approach towards these funds. It thinks that in the eyes of the consumer there is no difference between having a stake in such a fund and being a depositor with a bank.

So the Bank has insisted that certain standards are met in order to protect the public. Crucial is the requirement that the fund managers become licensed deposit takers. However, as the funds are separate entities from the companies which run them it is doubtful whether depositors with these funds are covered by the bank protection scheme.

With this in mind, the Bank has imposed restrictions on the managers' freedom. The fund can only be invested in low-risk assets by which is meant prime banks' paper, public sector instruments and Treasury bills.

Unlike the advertisements run for higher interest accounts, those for money market funds can identify the assets in which clients' funds have been invested.

But the rules go further than that and lay down that there must be no maturity mismatch. The funds vary slightly—some require one day's notice and others seven—but unlike building societies which mismatch long-term house loans with short-term cash, money market funds have to be careful to balance the maturity of their assets and deposits. This means if all depositors asked for their money back, assets could easily be realised to repay them.

The next requirement is that the operators set up suitable internal controls which minimise the possibility of a sticky-fingered fund manager running off with clients' cash. The Bank also insists that the fund managers take out fidelity insurance so that in the event of fraud customers would not be left completely high and dry.

Finally, the Bank asks fund managers to make an appropriate capital commitment to the fund. This is to ensure that the managers would be the first to bear any loss if things went wrong. Just how the fund managers go about putting their money where their mouths are is left to them. Usually this is done by a subordinated loan or a guarantee of a portion of the portfolio.

Some fund managers are also looking at the possiblity of default insurance. However it is not clear whether this is an insurable risk for it is difficult to see how insurance companies could assess the likelihood of, say, the GLC going bust and defaulting on its loans.

If you decide to put your money with one of these funds do check first just what type of arrangement you are getting into. Additional points to consider are: how quickly you can get access to your money; and how frequently interest is paid.

Available at present are:

- **Tyndall demand fund.** Minimum deposit £2,500. Interest paid quarterly. Size: £19m.
- **Tyndall seven-day fund.** Minimum deposit £2,500. Interest credited quarterly. Size: £35m. Chequebook.
- **Simeo call fund.** Minimum deposit £25,000 although exceptions made. Interest paid annually. Size: £88m.
- **Simco seven day.** Minimum deposit £1,000. Interest paid half yearly. Size: £75m.
- **Mallinhall call deposit fund.** Minimum deposit £5,000. Interest paid quarterly or annually. Size: under £5m.
- **High interest account from Save and Prosper.** Minimum deposit £2,500. No formal distribution dates. Size: £35m. Chequebook.
- **Western Trust and Savings one month notice account:** Minimum deposit £2,500. Interest paid monthly. Size: £2.5m.
- **Schroder seven day acconnt.** Minimum deposit £2,500. Interest paid half yearly. No details on size available.

If you choose a money market fund do keep an eagle eye on what interest you are pocketing. Most do not deduct a specific sum as their fee from the rate they get on clients funds. It is therefore worth checking that this slice off the top of your interest cake is not being stealthily increased.

When shopping around for a home for your money the actual interest rate you receive is equally important. This is a minefield as there is no legislation laying down how institutions should measure the rates they offer depositors.

When it comes to borrowing there is protection under the Consumer Credit Act 1974 which lays down rules for lenders, except building societies, to follow when describing the interest rate on loans. However, there is clearly a gap when it comes to describing the rates for depositors.

This makes it very difficult to compare rates of banks, building societies and money market funds. Factors which complicate the equation include penalties for early withdrawals aod the various attempts to produce an indication of an annual return based on rates which fluctuate daily.

Once savers understand these pitfalls and are prepared to take an active interest, albeit from an armchair, then money market funds do provide a useful niche for idle balances. That said, the Government should be prepared to insist on a "truth in deposit-taking" regulation to match the existing provision for truth in lending.

Covered on the ski slope

THERE IS nothing like a broken leg to take the shine out of a ski holiday. No one has yet invented a way of ski-ing in a plaster cast, but at least you can lessen your misery by ensuring that you are not seriously out of pocket as a result.

"Seriously" is the key word. Medical treatment in Europe, particularly in Switzerland, can run to thousands of pounds, and if your injury is bad enough to require an "air ambulance" back home, that will cost around four or five thousand alone.

Ski insurance, on the other hand, costs around £15-£20 per week per person. If you go ski-ing on a package holiday, the chances are that insurance is included in the price—though, of course, it should be checked. But if you are intending to arrange the holiday yourself, you would be very unwise not to take out an insurance policy.

About one skier in ten makes a claim on his insurers, compared with a figure more like one in 17 for normal holidays. Douglas Cox Tryie of Fenchurch Street, a specialist ski insurance company, analysed its claims from last winter and found that nearly half were for ski accidents, and the rest for loss of baggage or money, sickness, cancellation or damage to skis.

The most common parts of the body to be injured were the shoulder, arm or hand, and strangely enough, it was the intermediate skiers that suffered the most injuries—48 per cent of the total, compared with 15 per cent for beginners and 32 per cent for advanced.

Douglas Cox Tyrie is recommended by the Ski Club of Great Britain, and insured 18,500 skiers last year. It offers medical cover of anything between £2,000 and £10,000 on its mini, economy, ordinary and super policies, and the premiums rise accordingly. For an extra £5, £10,000 will be added to the medical cover. The super package costs £18 per person for 10 days' cover and covers most risks. The mini costs £14.50 and provides for just medical expenses and cancellation at the rates of £5,000 and £400 respectively. Air ambulances will be provided and family packages are also availabe for two adults and one to three children under 16 years of age. For an extra premium, you can insure yourself for more risky ventures like ski racing and bob sleighing, which are excluded from most other policies.

Chairlift at Haute-Nendaz in Les 4 Vallees area, Switzerland

If you are unable to ski for more than two consecutive days due to an avalanche, weather conditions (excluding lack of snow) or the breakdown of lifts, you can claim £25 a day up to a maximum of £100.

Perry's Travelsurance '83 (13 Southampton Place, London, WC1) charges £15 per person for up to nine days in Europe, with a reduction of 50 per cent for accompanied children. Medical and emergency cover is for £50,000 and the company runs an International rescue service to arrange travel back to the UK in serious cases. There is no upper age limit.

The Automobile Association, like most other brokers, charges 2½ times the normal holiday premium for winter sports, so the cost of cover for a week's ski in Europe is £18. Medical expenses are covered up to £50,000 and include the use of an air ambulance if medically necessary. Another £5.20 will double the cover. Exceptions include major ski racing, ski jumping, ice hockey and bob-sleighing. For linguaphobes, there is a 24-hour, English-speaking emergency service available.

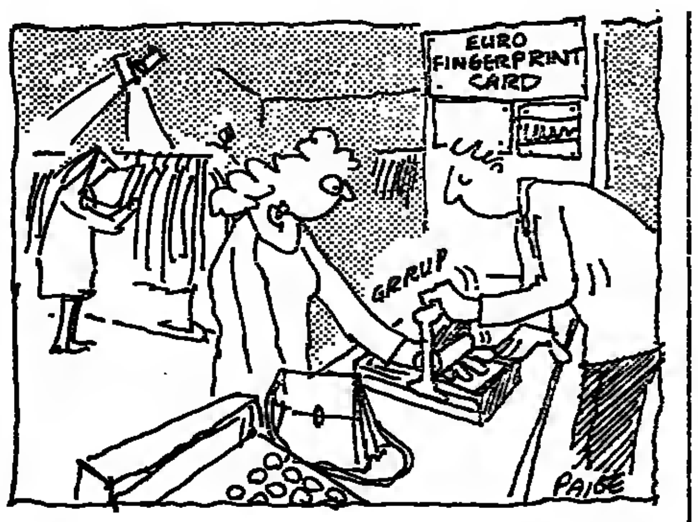
The Association of British Travel Agents recommends Extrasure insurance (6 Lloyd's Avenue, London EC3) which, at £20, is slightly more expensive than the others, but more comprehensive. Medical expenses covered are unlimited and there is a "MEDEX" 24-hour emergency and repatriation service. There is no age limit and no exclusions for pre-existing medical conditions, including pregnancy. You might justifiably think, however, that £50,000 or even £20,000, will be enough to cover the most serious of accidents.

A final word from Victor Rance of the British Insurance Association: "Certainly it's worth looking around and seeing how different policies compare. Go either to the people you normally do other insurance with, or your travel agent and make sure the policy covers exactly what you're going to be doing."

Mary Ann Sieghart

SAVINGS OFFERS

YOUR SAVINGS AND INVESTMENTS—3



Eurocheques for big spenders

BOTH RETAILERS and their customers are agreed on one thing—they would like the banks to increase the amount which can be guaranteed by a cheque guarantee card and enable customers to use more than one cheque per transaction. In fact, many customers are now pressed into the farcical situation of writing a series of cheques with different dates when paying for an item over £50.

The banks, however, see things differently. They have steadfastly refused to respond to such pressure, in the face of sizeable losses due to cheque guarantee card fraud.

This week, however, Midland Bank released details of its plan to issue Eurocheques, which can be used in the UK and on the Continent. As the guarantee card accompanying the Eurocheque is more difficult to tamper with than the existing cheque guarantee card, Midland are content that the amount covered by each cheque can be up to £75, the standard European figure. In addition, any number of cheques can be used to pay for a single item.

So where's the catch? Well, first of all, customers will have to pay a one-off fee for the guarantee card—probably £4. Second, the Eurocheques will initially be issued in books of only 15, although more can be obtained on request.

In terms of cost, using a Eurocheque will be no more expensive than a domestic cheque. However, if the cheque is written in foreign currency then a 1½ per cent handling fee will be charged.

Eurocheques are acceptable in more than 4.5m retail outlets in 20 countries but doubtless it will take British shopkeepers some time to get accustomed to Eurocheques. The cheques can also be cashed in more than 180,000 branches of 15,000 banks in 39 countries, mostly in Continental Europe.

Mr John Brooks, Midland's deputy group chief executive says: "Over 80 per cent of the 19m UK residents now travelling abroad each year go to Europe. Our decision to join the Uniform Eurocheque Scheme will provide Midland customers with benefit of the best money transfer systems available on the Continent."

Midland's decision to issue Eurocheques goes back to last February when the clearers jointly agreed to ban the use of exsting cheque guarantee cards abroad in a bid to stem losses from fraud. The other clearers have opted to follow Barclays and issue special encashment cards to be used overseas with standard UK chequebooks.

So far Midland is going it alone down the Eurocheque route although doubtless the other clearers are keeping tabs on the progress of the new product. In Europe, particularly Germany, the Eurocheque has been extremely successful and virtually replaced the former domestic cheque system. If Eurocheques prove successful the other clearers will be forced to follow Midland's lead.

Rosemary Burr

Eric Short reports on competition in the insurance world

Hambro's second look at Life

FIVE YEARS AGO, Hambro Life introduced an entirely new concept in life assurance when it launched its Whole Life Plan. It introduced the concept of a single life contract that would meet the varying needs of policyholders throughout their lives by providing flexibility between the protection and the savings elements.

This plan proved to be a best seller for Hambro Life until last year. But the company has been overtaken by events.

The problem with being first in the field with a new product is that other life companies, many of whom would never have thought of the concept themselves, will first watch and see whether the new idea is accepted by the consumer and then produce refinements and improvements on the original idea.

Indeed, Mark Weinberg, Hambro Life's chief executive, accepts that pioneers run the risk of being scalped by Indians. Last year, Hambro Life's sales of life policies slumped—one reason being the success of the whole life plans from rival companies. Abbey Life, Hambro's main rival, recorded phenomenal success with its Cover-Master launched at the beginning of the year—an improved version of the whole life plan.

So Hambro Life went back to the drawing board to produce a completely new contract—the Adaptable Life Plan, which discards all previous concepts in the structuring of linked life contracts.

The contract operates on what Hambro Life terms the total linking concept, that is, the premiums and sum assured are linked to the actual experience of the company regarding mortality and expenses as well as to investment performance.

Jocelyn Hambro, chairman of Hambros and Mark Weinberg, Managing Director of Hambro Life

Mortality rates have been improving steadily for centuries. Up to now, the benefits of such improvements have been returned to traditional contract policyholders through the bonus system, while on linked business the benefit has gone to shareholders. Under this new concept Hambro Life can change the mortality rates for the benefit of policyholders.

The converse can also apply. Many observers in the life assurance field think that mortality rates in the future could worsen until the next major medical breakthrough. Hambro Life can allow for such a contingency, whereas other linked life companies have to bear the extra burden.

However, the major change is made in the method of meeting renewal expenses. The current system is to make a charge—usually ¾ per cent—on the underlying fund. If the fund grows faster than the rise in expenses shareholders make a profit and vice versa.

Hambro Life has scrapped the percentage charge and instead will charge a policy fee added to the premiums reflecting the average cost of servicing a policy. The present charge is 75p a month—£9 a year—and this will be increased each calendar year by the rise in the index of National Average Earnings. The effect is shown in the table.

For policyholders, the Adaptable Life Plan will provide substantially higher benefits for a given premium as high as 16 per cent, besides giving even more flexibility in enabling the contract to meet all future needs of the policyholder.

For shareholders, it means that all their profit will come in the first year of the contract. There will be no profit for them afterwards. But most shareholders think that this is the present situation. The share price will now depend entirely on the marketing success and the sales force of Hambro Life is certainly enthusiastic about this new contract.

COMPARISON OF CHARGES UNDER THE OLD AND NEW PLANS

	Old—Whole Life Plan Initial monthly premium			New—Adaptable Life Plan Any premium
Year	£25	£50	£100	
	£	£	£	£
1	12	Nil	Nil	9
2	12	Nil	1	10
3	13	2	5	10
4	15	7	13	11
5	17	11	22	12
10	30	37	74	17
15	46	71	141	25
20	67	114	227	36
25	92	166	332	51
30	121	227	454	72

Assuming plan left unchanged and that both the unit price and the National Average Earnings Index increase by 7½ per cent each year.

A matter of tax

SHOULD YOU go to your High Street bank rather than to your local accountant for tax advice? A number of the banks think that, in many cases, you should.

There is quite a furore mounting in the accountancy profession as the smaller practitioners bit back at what they see is an attempt by the banks to poach part of their traditional business through increasingly aggressive promotion.

Lloyds Bank, in particular, is currently seeking to smooth its relations with the accountancy profession over competitive services, which also include accounting systems for small businesses. While the storm may be short-lived, there is no doubt that the big clearing banks will be increasingly in conflict with various professions as they try to redeploy their surplus staff by supplying more comprehensive services in the financial area.

Competition is a good thing for the client if it restrains costs without being detrimental to the service offered. But the situation is not entirely new. The banks have been offering tax consultancy services for most of this century and yet accountants have still found it a profitable pursuit.

David Kirkby, manager of Lloyds' trust division, points out that his bank does not advertise its tax consultancy service nor are the branch managers instructed to make a hard sell: "People come to you if they want to. High pressure salesmanship does not work. I would not regard ourselves as being in competition with accountants at all."

Peter Jacks, manager of Barclay's small business unit, says: "We feel we have a complementary role to play with accountants."

The accountants, who are emerging from a strict "no advertising" regime, see a major threat coming from the banks offering advisory services as some form of "loss leaders."

On top of that the banks enjoy a regular flow of customers for their banking services to whom they can readily promote their wares. The numbers using the banks are also gradually increasing as more employers adopt credit transfer, instead of cash, for wage payments for people who previously would never have considered visiting a bank.

But the average individual would not dream of wandering into a chartered accountant's office, picking up a selection of advisory leaflets and booklets that could be found there, and walking out again.

This "accessibility" factor works against the advantages of competition. For competition to work one must be in a position to judge the quality for service and value for money.

Understandably it is far more natural for a person faced with a tax problem to consult the people who deal with his or her other money problems, including, in the light of current developments, house buying, selling and conveyancing, namely their bank.

In the personal tax area there is a very obvious difference between the services offered by banks and those by accountants. Most of the tax consultancy personnel in a bank are trained in the bank and have specialised in personal taxation, possibly sitting the Institute of Taxation examination.

The chartered accountant will, on the other hand, have trained first as an accountant and later moved into the tax area.

In the smaller practice his experience of tax-work might be limited by the mix of business handled by the firm, possibly with much time spent on audit work and business accounts. But it could be argued that this wider experience is beneficial in that it can enable him to see problems in context. Accountancy firms should also be in a better position to offer a more personal touch.

The final decision about which to choose is for the individual who should ask the accountant and the bank the extent of the service available and the likely cost.

"We regard our charges as competitive with those of accountants, probably more so in London than the provinces," says Peter Joiner, NatWest's tax operations manager.

"We charge separately for tax services. Every case is looked at on its merits," he explains.

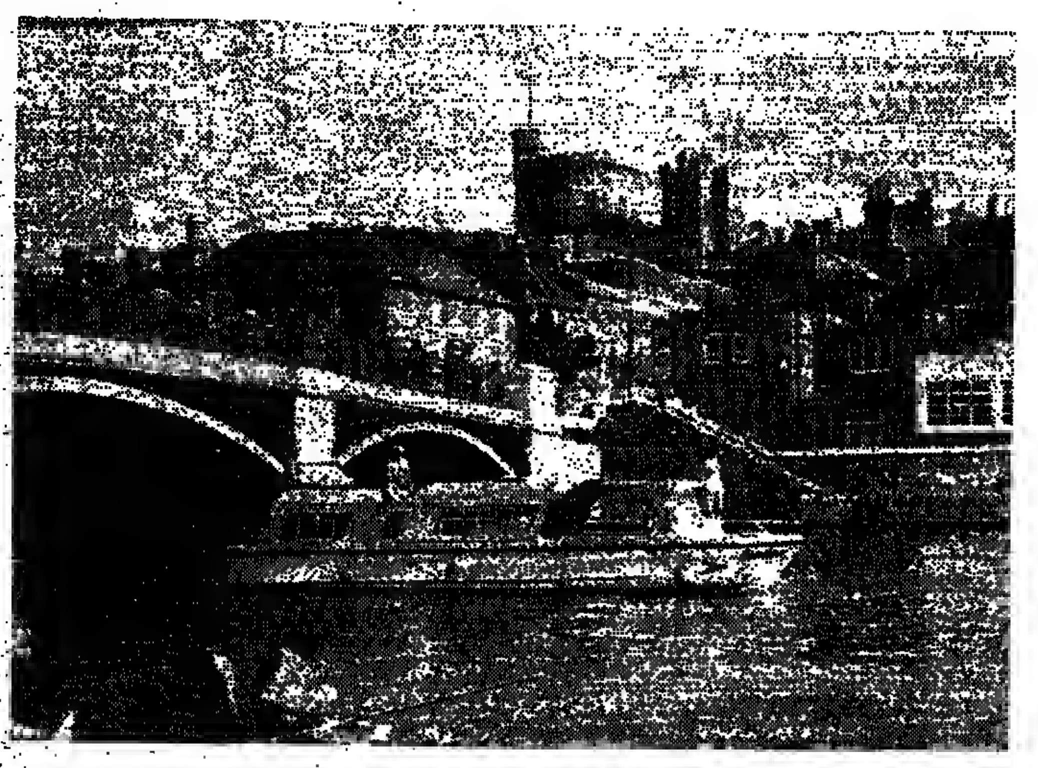
But the suggestion that the banks charge below an economic price is flatly refuted by Mr Kirkby at Lloyds: "One of the criticisms we get is that our fees tend to be on the high side. It is a time-costed service. We have no policy to offer any service that habitually runs at a loss. We have a duty to the shareholders as well as customers."

Christopher Cameron-Jones

YOUR SAVINGS AND INVESTMENTS—4

Terry Byland reports on a new way of messing around in boats

Timesharing on the Thames



THOSE WHO ENJOY messing about in boats, or even just reading The Wind in the Willows, may be attracted by the latest feature of rivercraft folk. The principle of timesharing, originally developed by the holiday home business, is now being increasingly applied to the ownership of river cruisers moored on the Thames.

Most schemes—there are a number of companies already in operation—invite the prospective timesharer to buy one or more week's use each year for an agreed period, at the end of which the boat will be sold and the proceeds shared out.

Each investor will have the same week or weeks each year, and his initial investment will depend on the time of year chosen. Prices vary from company to company, but a week in early April will cost an initial investment of about £700 to £800, with the cost rising to around £2,000 for the peak season weeks in late July and August.

Having made the initial investment, the timesharer will pay an annual management charge to the operating company, which should cover such essentials as mooring fees, insurance, cleaning and mainteoance.

After that, all the timesharer has to do is to turn up with family, friends and Montmorency the dog, and be the proud captain, for a week or more, of a motor cruiser on the Thames.

The only further costs are for the diesel fuel and the living expenses of the, doubtless, unpaid crew. The right to the same week's holiday next year is guaranteed, and at the end of the agreed period, usually ten years, the boat is sold and each timesharer should recover at least a part of his initial investment.

The advantages for the newcomer to Thames river boating are considerable. The timesharer is freed from many of the problems which beset a boat owner. When the river runs high, as it bas this week, the timesharer can sleep easy in bed without dreading the phone call to break the grim news that the boat has broken loose; when winter comes, the boat will be taken out of the water and painted by someone else.

However, life being what it is, there are a few snags to watch out for. Most of these come down to the need to take a close look at the company floating the scheme in the first place, since the prospects of a happy and successful ten-year relationship must largely depend on its integrity, efficiency and longevity.

Before signing the contract, the timesharer should look carefully at several points. The first is the security of the management company. River hoat hiring has a high bankruptcy rate, and the question of ownership of the boat must be made quite clear: the management company should not have any right to sell the boats without the consent of the timesharers. One solution to this problem is to "deed" the boats to a separate trust on which timesharers and management are represented.

Another snag is the safety and maintenance of the boat. The individual timesharer bas no means of rating the sailing skills of his co-timesharers. Major accidents will no donbt come to light but there will be a temptation for everyone to cover up those minor bumps and scrapes which can reduce the resale value of the boat significantly.

The prospect of recovering the initial investment by selling the boat after its ten-year atint sbould not be taken too seriously. At present, a ten-year-old boat from a well-known builder is probably holding its value in money terms, althougb it is anyone's guess wbat that means in terms of the inflation rate over the next ten years.

Of course, the eventual sales proceeds have to be shared out on the basis of about 39 separate weekly investments at various prices, with something off the top for the boat managers. So, it is probably better to treat any resale return as a bonus, and accept that the original investment bought an annual boliday on the river for ten years.

The contract should also be scrutinised for clear evidence of the mooring rights, presumably held by the management operator. If the timesharer is committed for ten years, then mooring rights must at least cover that period—it would be a nasty shock to arrive in one's boater and flannels to find the boat was now moored outside the sewage works.

A swift guide to the standing of a prospective timesharing operation is to check if the management company is a member of the Britisb Property Timeshare Association, which was formed a year ago to represent house property timesharing but now also invites membership from boat sharing operators as well. The address is Langham House, 5th Floor, 308 Regent Street, London, W1.

One of the more recent entrants to the boat timesharing business, Swan Time Shared Crulsers, has incorporated a feature which seems to be unique as well as significant. It offers a way out of the major disadvantage of all timesbaring schemes—what happens when, after a few years, the family gets thoroughly bored with the whole idea of spending the same week every year having the same holiday as last year?

Swan claims to be the only UK boat timesharer affiliated to Resource Condominium International (RCI), which offers the world's largest timeshare swap system. Its members have time shares in villas, chalets and other apartments in 700 locations througbout the world—ranging from Swiss ski resorts to Mediterranean villas and Florida condominiums.

Swan timesharers have the option, for £32, of joining RCI through which they can offer to swap their stake in a boat on the Thames for any similar holiday offer from another RCI member. A valuable exit option.

A new name to conjure with

INVESTORS who play the unit trust field now have a new name to conjure with—Oppenbeimer Fund Management, a subsidiary of the fast growing financial services group, Mercantile House.

Alan Maidment, a director of OFM, joined Mercantile from Britannia Group of Unit Trusts ten months ago. He is responsible for developing the group's fund management business in the UK. Maidment says: "It will be difficult for us to keep up with the growth in other areas of the group. Inevitably we will progress more slowly."

Last August, Mercantile acquired Oppenheimer Management Corporation, the huge U.S. operation which advises 900,000 investors with a total of over £5bn. After this purchase Mercantile decided to use the name Oppenheimer when marketing its fund management services, which at the time consisted of three money market funds.

Maidment bad to start from scratcb with UK unit trusts. He has been given a sum to spend on buying existing unit trusts because Mercantile thinks this is the cheapest way to get started.

So far Maidment bas dipped into the corporate purse to buy five trusts—Practical Investment Fund, Great Winchester Unit Trust, Great Wiochester Overseas Unit Trust, Tower Income and Growth Trust and Tower Special Situations Trust—with total assets of nearly £50m. He says he still bas money to spend and is looking around for further funds, including a gilt-edged one.

In contrast to the policies of most major unit trust groups, Maidment has specificaly turned his back on going aloog the specialised fuods route. Phrases like "we want to keep it simple and practical" litter his conversatioo and one wall in his room is covered with possible advertisemeots expressing similar sentiments.

Basically Maidmeot believes that investors have relatively few objectives but these can obviously be satisfied in many ways. He is against extreme geograpbical specialisation and all the funds will be renamed to indicate both their affiliation to Oppenheimer and their purpose in life.

If Maidment can't buy the trusts he wants to complete the range, then he will be forced to set them up afresh. So far he seems optimistic that in spite of competition from other would-be purchasers he will find what he is seeking at the right price.

Maidment has great aspirations for the unit trust business: "Size is very important in this area—golog into it in a modest way would just waste time," he says. Definitions of modesty are difficult to come by but Maidment is aiming for funds under management in the region of £100m by year-end.

With some trusts in place, the next step has been to appoint a fund manager. The man Maidment has chosen is Martyn Page, whom he has known for many years.

Page has been managing other people's money for 13 years in the City. A month ago he left Britannia Group of Unit Trusts where he had been the investment director in charge of private clients for three years. The job which enticed him away from Britannia fell through and so he was on the market just at the time when Maidment was looking.

Originally a financial journalist, Page was persuaded to change from preacher to practitioner by Jim Slater in 1970. During his time in the City he has developed some firm ideas on how best to manage clients' money.

"It's important to establish where a market is going. The key is not how good or bad it is but how much it is likely to change in the eyes of investors," argues Page.

Nor will Page be shy of going liquid if the circumstances seem to warrant such a move, although he wraps up this statement with the reflection that "going liquid is not something you can now do as easily as in the '50s and '60s." Nevertheless, he regards cash management as "an important part of my job."

Page emphasises the importance of standing back from the current scene and trying to spot the underlying trends. "I think we are in a fundamentally disinflationary environment. I don't mean that gold won't go up—perhaps on fears of a banking crisis—but it's as well to stand back. Looking at the fundamental forces will help to keep your feet on the ground."

Rosemary Burr

PROPERTY

Vale and Canal, W.9

BY JUNE FIELD

THE SMALL BOATS, some sombrely black, others gaily painted, sit silently on the canal, their curtained windows reflected in the still water. *Rosie, Robin, Serendipidity, Ship of Fools* and many others are moored not far from the Edgware Road, within a mile of Marble Arch.

This is London's Little Venice, W9, where the poet Robert Browning settled around 1861, after the death of his wife. He said that the view from the garden of his home, 19, Warwick Crescent, reminded him of Venice where they had spent so many happy days. The pool formed at the meeting of the Grand Union and Regent's Canal is known as Browning's Pool. Nearby is the appropriately named Gondolier inn.

More prosaically the district is Maida Vale, named after the battle of Maida in Calabria, Italy, 1806, when General Sir John Stewart defeated Napoleon. The event is perpetuated in The Hero of Maida public house, still in action, on the Edgware Road on the borders of Maida Vale, which really begins at Blomfield Road by the Canal, and goes up to Carlton Vale.

During the Middle Ages the area was predominantly agricultural, and formed part of the Manor of Paddington, owned by the monastery of St Peter's of Westminster. The connection between the Church and the district is long and complex, and it is only in recent years that the importance of London's Canal in the townscape has been realised, and use made of it as an amenity. In the mid-19th century the developer who built some of the houses on the north bank at Little Venice would not have dreamt of living there.

The Regent's Canal opened in 1840, when residential development began to get under way. Sir Nikolaus Pevsner reporting in one of the London volumes of *The Buildings of England*, wrote: "to the west along the canal is one of the most attractive early Victorian tree and stucco landscapes of London. The Canal gives it an unusual, somewhat Dutch *timbre* . . . the scenic charm is great. . . ."

Since the early 1950s the Church Commissioners have pursued a policy of restoration of the Maida Vale Estate rather than development, receiving a commendation in the RCIS/Times Conservation Awards Scheme, and virtually the whole of the southern part of the estate is a conservation area.

Then in September 1981, Chestertons, managing agents for the estate for more than 20 years, announced that they had been instructed to begin selling the Church Commissioners' Maida Vale Estate to the tenants; and there was, understandably, some outcry about the fact that the Commissioners would only allow occupants a discount of 20 per cent less than the assessed vacant possession market value of the property.

Only if a combined purchase could be made, that is if three tenants in apartments in the same house all bought at the same time, is 30 per cent discount given. At the 14-storey Stuart Tower, a block of one bedroom balcony flats built by Wimpeys in the early 1960s, some of the tenants would have liked to have got together to buy the whole block; but with 190 apartments it was obviously too ambitious an operation.

"Property companies in flat break-up operations are able to negotiate a bigger discount because they need a quick turnover," explains Mr Tony Bland Botham, manager of Chestertons Little Venice office. "But the Church Commissioners felt that they could afford to wait, and anyway they have to consider the interests of its own beneficiaries."

It is admitted that the start to the sales campaign was slow.

Six bedroom, three bathroom house with a walled garden in Blomfield Road, W9, facing Regent's Canal at Little Venice. The price is £325,000 freehold through Ivor Hunt, Chestertons, 26 Clifton Road, London, W9 (01-286 4811).

"Many tenants naturally rushed to consult their local residents association, and over the past year lengthy negotiations have been undertaken. Now some 50 tenants have bought in Stuart Tower.

"And during the past few months the pace of sales has quickened considerably, particularly with the fall in building society rate, plus the conclusion of virtually all the discussions with the associations. We expect that by the end of the year we will have sold perhaps half of the available units, which represents a substantial change to owner-occupation in an area that has traditionally been rented."

Also at Stuart Tower are some vacant apartments for sale on the open market at prices from £37,750 to £46,000 for a 125-year lease to include fitted carpets, curtains, cooker, refrigerator and storage locker, with garage space to rent.

Currently the total number of vacant properties sold and under offer on the whole estate amount to about 90 units with a sale price of over £6m. House buyers are offered the freehold, flat purchasers get their 125-year leases together with a share in the freehold ownership of their building.

Although there was some initial criticism of the prices being asked for apartments and houses on the estate, Chestertons feel that in the main their assessments have been vindicated. "Some tenants are actually selling their properties now for more than they were valued at. Market-evidence has shown that we were right."

They still consider that property prices in the Maida Vale area remain behind similar districts and offer excellent value when compared to other parts with the same proximity to central London.

Currently Chestertons have for sale good-sized three bedroom, two bathroom converted apartments in period stucco-fronted houses in Clifton Gardens, Randolph Avenue and Randolph Crescent, at prices from £65,000 to £85,000 for 124-year leases, and a five bedroom house in Warrington Crescent which has access to two acres of private communal gardens, is £125,000 freehold.

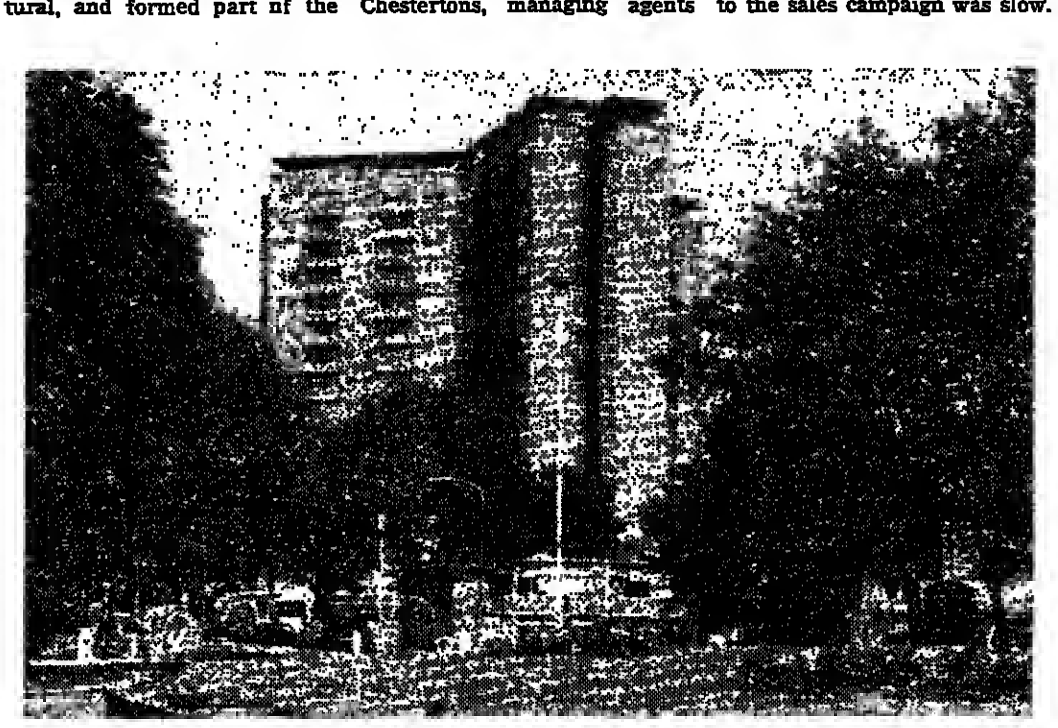
Properties overlooking the Regent's Canal are much sought after, and command high prices. A double-fronted six bedroom, three bathroom house in Blomfield Road (the street named for a 19th century Bishop of London), is £325,000 freehold. For a brochure with a location plan of the Maida Vale Estate, with details of what is on offer, contact Mr Botham or Mr Ivor Hunt, Chestertons, 26 Clifton Road, London, W9.

Buying from plan before building conversion work is complete is very strong in Maida Vale. "This interest seems to come from first time buyers who are becoming much more adventurous, particularly in the cheap and cheerful bracket" observes Mr Martin Mitchell, manager of Winkworth's St John's Wood Terrace office. "It gives buyers a chance to tell the builder how they want things, the type of kitchen required, and so on." At 51 Sutherland Avenue offers are being made on half-a-dozen two bedroom apartments at around £37,000 for 99-year leases before refurbishment is finished. A studio in the basement was £22,500.

Winkworth's are also selling some of the former Church Commissioner properties on behalf of their new owners. A former tenant is reselling a three bedroom first floor balcony apartment in Clifton Gardens for £95,000.

At Abinger Mews, still in Maida Vale, but not in the Church Commissioners' area, sales of the Martin Grant freehold houses in an attractive pedestrian precinct, have really taken off during the last few months. Only two of the 40 newly built three-storey town houses remain unsold at £73,000. "Buyers have been mainly young couples of all nationalities, British, European, Middle Eastern, Nigerian and African, with some from Hong Kong," says Mr Martin Butchoff, Anscombe and Ringland partner.

He is just starting to promote another Martin Grant project in a similar quiet courtyard environment at Porteous Road, off St Mary's Terrace Gardens, only just off Church land, not far from Blomfield Road and the Canal. Prices in the new precinct will be in the £100,000 bracket. Details from Mr Butchoff, Anscombe and Ringland, 8 Wellington Road, NW8.



Stuart Tower, Maida Vale, W9, where apartments on a 125-year lease are for sale from £37,500 including carpets, curtains and kitchen equipment. Details Ivor Hunt, Chestertons, 26 Clifton Road, London, W9. (01-286 4811).

BRIDGE

E. P. C. COTTER

IT IS, of course, pleasant to bid a slam and find that the contract is on ice, but there is even greater satisfaction in encountering bad breaks and overcoming them by perfect technique. The declarer in my first example hand today must have purred with delight when he managed to bring home his contract of six spades:

N
♠ J 9 7 6
♡ A Q
◇ 5 4
♣ A K Q 10 3

W
♠ Q 5 3
♡ J 8 2
◇ K Q J
♣ J 8 7 2

E
♠ 4
♡ 9 7 6 5 4 3
◇ 10 9 7 2
♣ 6 4

S
♠ A K 10 8 2
♡ K 10
◇ A 8 6 3
♣ 9 5

With North-South vulnerable, North dealt and bid one club, South replied with one spade, and the opener raised to three spades. South now introduced a Blackwood four no trumps, and after hearing his partner's response of five hearts, jumped to six spades.

West's opening lead of the diamond King, won by the Ace in hand, uncovered an immediate loser, and when the Ace, King of spades showed that West had a trump trick, the outlook was bleak. Three losing diamonds had to be catered for, and all five of dummy's clubs would be needed to supply three discards. But a 3—3 break in the suit would not help, because West would ruff the fourth round and cash a diamond. No, West had to be placed with four clubs. Reasoning further, the declarer decided that, if West had four clubs, he was the odds-on favourite to hold the Knave.

The way now clear before him, South ran the nine of clubs, which held, then finessed the ten, and discarded two diamond losers on the Ace and King. On dummy's last club, the Queen, declarer shed his remaining diamond. West ruffed, but the ruff came too late to do any damage.

Logical reasoning reveals the right line of play, and is duly rewarded.

In my second example, like the first from rubber bridge, the declarer failed to overcome the bad breaks:

N
♠ Q J 6
♡ A Q 4
◇ A T 3
♣ J 7 3 3

W
♠ 8 7 3 2
♡ 10 9 8 6 5
◇ 10 8 6 2
♣ —

E
♠ K 9 5 4
♡ 3 2
◇ 9 4 5
♣ Q 10 9 4

S
♠ A 10
♡ K J 7
◇ K Q J
♣ A K 8 6 2

South dealt at game all and opened the bidding with two no trumps, and North's raise to three no trumps concluded the brief auction.

West led the ten of hearts, which was won by the Ace on the table, and declarer returned the three of clubs to his Ace. When West showed out, South crossed to the heart Queen, led a spade and finessed the Ten, but ended up one trick short of contract.

"You ought to have taken a safety finesse in clubs," said North, "then you are bound to make four club tricks." "Yes, of course," replied South. "I am very sorry."

As a matter of fact North was not strictly accurate. The declarer must *échelon* his plays. At trick two he leads a spade and finesses the ten. If this loses, he has to play clubs from the top, hoping to drop the Queen on the first or second lead. As the cards lie, the spade finesse wins, and now South returns to dummy and leads the three of clubs. When East produces the four—it does him no good to play the nine—the declarer covers with the six, a safety play which ensures the making of four tricks in the suit.

In this hand we see not just a safety play, but a safety play which must wait upon what happens in another suit.

CHESS

LEONARD BARDEN

FURTHER evidence that Sweden's Ulf Andersson is now the uncrowned king of the Western chess world came this week at the annual Hoogovens International at Wijk aan Zee, Holland. Andersson led throughout and won easing up to finish the 13-round event unbeaten. Final totals were Andersson 9 out of 13, Ribli 8½, Hort and Browne 8, Nunn 7½, Seirawan 7, Hulak 6½, Korchnoi 6, Olafsson, Ree and Scheeren 5½, van der Wiel 5, Kuligowski and Speelman 4½.

The victory will at least consolidate Andersson's fourth place in the world rankings and could even advance him to third ahead of Ljubojevic of Yugoslavia. Karpov and Kasparov, however, remain firmly entrenched as the top two, some 50 rating points ahead of the Swede.

Another notable feature at Wijk was the continued precipitous decline of Viktor Korchnoi. The Russian exile and twice challenger to Karpov lost six of his 13 games and, at 51, looks burnt out after his long world title campaigns. From the British viewpoint, the results are mixed. John Nunn followed up his sound result at Tilburg 1982 by again demonstrating that he can hold his own against the world elite, but Jonathan Speelman, our No. 3 grandmaster, never got going and had his worst score for a long time.

The chess action now moves next week to Linares in Spain, where the category 15 tournament which starts on February 11 is so strong as to put even Wijk aan Zee in the shade. The announced entry list is Karpov, Polugaevsky, Spassky and Tal (all USSR), Ljubojevic (Yugoslavia), Andersson (Sweden), Hubner (West Germany), Timman (Holland), Sierawan (U.S.), Miles (England), Hort (Czechoslovakia) and Larsen (Denmark).

Of the 13 men in the world officially rated 2600-plus supergrandmasters, only four will be missing from Linares. Korchnoi, Kasparov and Portisch have imminent candidates matches, while Petrosian was presumably omitted because too many Russians would unbalance the tournament. Even without them, Linares is a fascinating test of whether Karpov can continue to maintain his extraordinary record of first prizes against the cream of his rivals, whether Andersson can again emerge as top Westerner, and—from the British viewpoint—whether Tony Miles can make a real impact against super-GMs.

Miles's last foray into the super-GM field, at Tilburg 1981, proved a disaster as he finished last without winning a game. Since then he has recovered morale by victories in the Grieveson Grant British championship and at Lloyds Bank, but in the stronger Phillips and Drew Kings he was only in a modest middle place behind Karpov and Andersson.

On the evidence of all these events, it is Nunn, rather than Miles, who looks likely to become the first British player to achieve super-GM status, but Miles's career has had something of a yo-yo character and it is still possible that Linares will find him on a new upswing.

Meanwhile, the quietly efficient Andersson has gained new admirers for his subtle art of achieving full points from minimal advantages. In this week's game, from Wijk, his original manoeuvre 7 P-Q4 and 10 P-B5 is already in a higher sense the winning plan, forcing permanent weaknesses among the black pawns which later fall to a cluster of Swedish attackers.

White: U. Andersson (Sweden). Black: J. Van der Wiel (Holland). English Opening (Wijk aan Zee 1983).

1 N-KB3, P-QB4; 2 P-B4, N-QB3; 3 P-KN3, P-KN3; 4 B-N2, B-N2; 5 N-B3, P-Q3; 6 O-O, N-R3; 7 P-Q4! PxP; 8 BxN, BxB; 9 NxP, B-Q2; 10 P-B5! PxP; 11 NxN, BxN; 12 BxB ch, PxB; 13 Q-B2, Q-Q7; 14 QxQ, BxQ; 15 N-K4, O-O-O; 16 QR-Q1, B-R3; 17 NxP, R-Q4; 18 N-Q3, K-B2; 19 P-B4, B-N2; 20 R-QB1, R-QR4; 21 P-QR3, R-QN4; 22 R-QB2, KR-QN1; 23 P-QN4, P-QR4; 24 KR-B1, R(1)-N3; 25 K-N2, P-K3; 26 PxP, RxP; 27 N-N4, P-QB4; 28 RxP ch, RxR; 29 RxR ch, K-N2; 30 R-B4, B-B1; 31 K-B3, R-QN4; 32 N-B6, R-Q4; 33 P-QR4, R-Q8; 34 N-K5, P-B3; 35 N-Q3, P-K4; 36 R-K4, Resigns.

POSITION No. 4?0

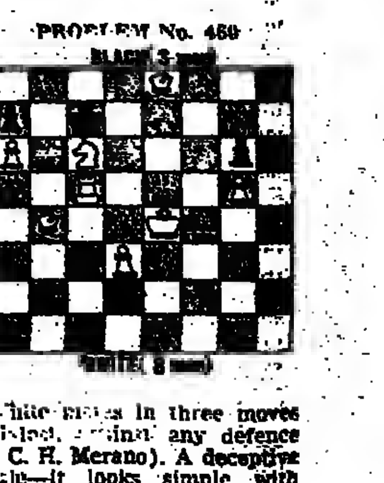
BLACK (10men)

WHITE (10men)

Sowray (England) v. van der Sterren (Holland), Wijk aan Zee masters 1983. Peter Sowray, an analyst with chess stockbrokers Phillips and Drew, had the edge as White (to play) in this diagram, but a win looks far off. His next move increased the pressure and set a trap which Black fell for with a natural reply. How did the game continue?

PROBLEM No. 460

BLACK (3 men)



WHITE (8 men)

White mates in three moves, at latest, against any defence (by C. H. Merano). A deceptive puzzle—it looks simple with Black's lone king and blocked pawns, but has caused earlier solvers sleepless nights.

Solution, Page 16

Coastal sagas

FISHING

JOHN CHERRINGTON

AS A result of my articles on the dearth of salmon in British rivers I have had a strong reaction from a net fisherman of the Yorkshire coast.

His is not an open sea net but one worked off the beaches which intercepts the migratory fish as they swim round the coast looking for river inlets up which they can run to spawn. By his own account he is not responsible for the salmon shortage as most of his catch has been of sea trout which he tells me have not varied on average over the years. So his type of netting he claims cannot be held responsible for the problem.

What he does say is that his costs have been raised by inflation to an inordinate degree. His licence from the Yorkshire Water Authority has gone up from £15 to £275, while the length of his net has been shortened from 600 to 400 yards.

Replacement of gear—it costs £2,000 to rig a net—has increased seven fold in four years and during the last season he was only able to work for 38 days because of the weather and even turned the boat over and nearly drowned.

The rewards are not particularly high. Four years ago when prices were high he and his two associates grossed £6,300 for the four month season. So he concludes he does not materially affect the salmon catch about which everyone is complaining.

The culprits in his eyes are the offshore and distant fishermen and the estuarine nets. Meanwhile he accuses the water authorities of being unduly influenced by the riparian owners who naturally wish to capitalise on the rod fishing lettings.

However his strongest vituperation is directed at the seal population which he claims does enormous damage to fish stocks generally. Each seal can eat approximately 11 lbs of fish a day and waste a similar amount. A total of three and a half tonnes of high protein meat a year.

Knowing that I am a farmer, he makes the point that the rabbit problem which was more or less solved by myxomatosis was just the same as that of seals to fishermen and that death by the gun is better than by the horrible disease. How would I have reacted to a Greenpeace movement interfering with the control of rabbits.

I was happy to get his letter because it demonstrates the difference between the sectors interested in migratory fish, salmon and sea trout. It illustrates, too, that no one seems to be willing to come clean on what is actually happening.

He, by his account, is not making much difference. His catches are remaining about the same.

But I can say that as far as the west coast of Scotland is concerned, sea trout catches have fallen disastrously in the rivers I fish over the last 20 years. What new factors have emerged to cause this?

It is possible to get some idea of the estuarine net catches of salmon but those of the rod anglers, particularly in Scotland are far from comprehensive. For obvious reasons no riparian owner will advertise the fact that his beats catch fewer salmon than they did.

There are always plenty of excuses for a poor catch; ranging from drought to disease. These should be self-correcting but they do not seem to be these days. You have only to read accounts of past fishing to realise that something is going terribly wrong.

I would have thought the first step would be to persuade what could be called the local interests—the riparian owners, and the estuarine and coastal net men to understand that they are dependent on rivers being well stocked and give more priority to maintaining those stocks so that the fish can spawn. The economic consequences of a failure to check the decline in salmon stocks are far beyond the interests of those I have mentioned.

Until these can be united there is little hope of an offensive to make those really responsible for the shortage, the sea netters and long liners, some of whose operations start very close to our shores, really to see that their interests are identical: which means maintaining adequate stocks in the rivers.

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LEISURE

Westward Ho! out of season

THERE ARE some days when it is particularly good to be alive and there were recently several such during a balmy mid-January spell in the West Country. In odd sheltered corners of Cornwall, a few daffodils were actually in full bloom, and much more than a few early camellias and azaleas, while magnolia and rhododendron were fat with bud. All the portents are for a fabulously floral March and April which is when most of the National Trust and other gardens open their gates once more. An attractive scheme for taking full advantage of them is offered by a group of Falmouth hotels with one-week arrangements from April 2 to May 14. Called Spring Garden Holidays in Cornwall, the cost of £92-£155 (according to hotel) covers half-board with private bath, transport to and entrance fees for ten major gardens, with professional gardening guides in some.

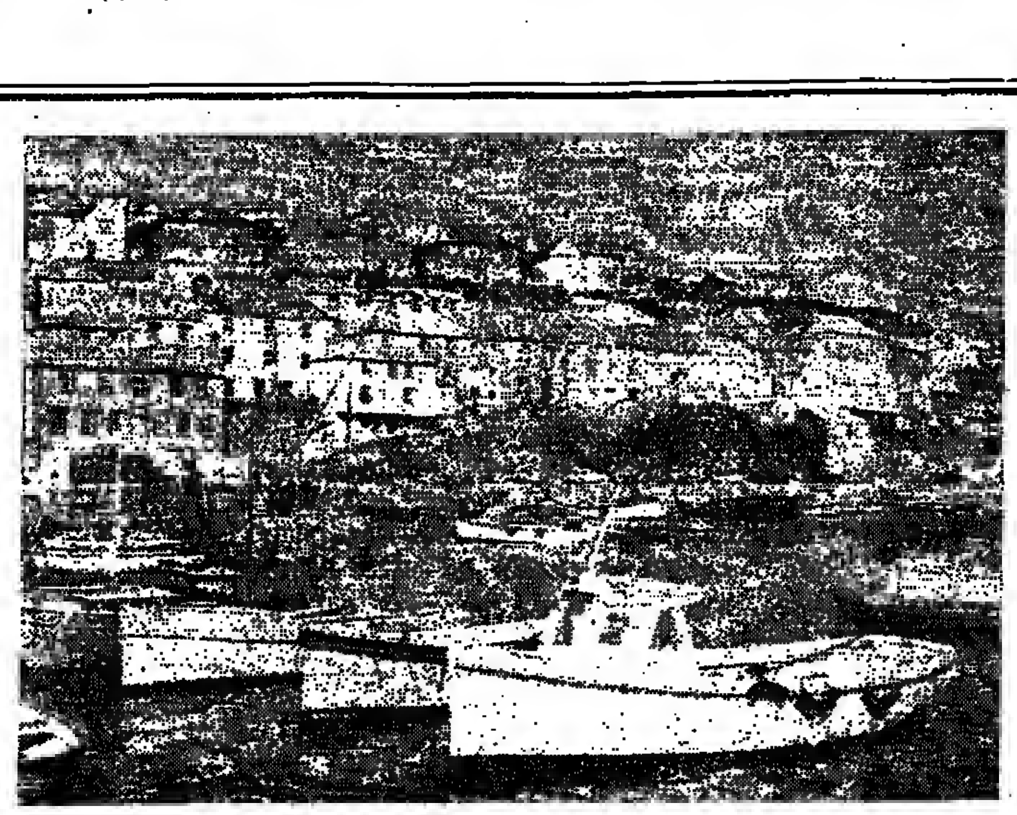
Or you might prefer a do-it-yourself operation based on a self-catering cottage.

Of the many available, I took a look at one or two marketed by one of the smaller enterprises, Penwith Cottages, in the Penzance area. They seemed charming and weekly tariffs at £50-£80 (sleeping five) from early April to mid-May (excluding Easter) were from a third to a half of high season charges. A couple of them were perched among the steep alleys of Newlyn with simply splendid views over Penzance and the bay to St. Michael's Mount. The fish auctions were only a stroll away and, almost next door to these, we climbed the steep steps into Turner's fish store where they sell fresh and smoked (on the premises and in the traditional way) whiting and mackerel, more or less straight from the sea. At 50p a pound, the smoked mackerel were irresistible.

Falmouth was smaller than its historical reputation had led me to expect. It was from here that the packet ships set off on fearsome journeys to maintain contact with the colonies from the late 17th- to mid-19th centuries at a time when schedules out of Channel ports were often bedevilled by relationships with France. Long before that Henry VIII had built Pendennis and St Mawes castles facing each other across Carrick Roads, mouth of the Fal, thus protecting one of England's finest estuaries from any marauding intent by the French or Spaniards. This pleasing waterway of many contorted arms extends right up to Truro and is the haunt of sailing folk, anglers, bird watchers, not to mention a haven for a silent flotilla of redundant ocean-going ships. You can see them from King Harry's Ferry which cuts perhaps a score of miles off the east-west journey and which, incidentally, leads you right beneath the National Trust's glorious Trelissick Gardens.

Lack of traffic is one of the big bonuses of a low season visit. With not one caravan to block those labyrinthine lanes, we got rewardingly lost in search of bits of prehistory—of which Cornwall probably has more visible signs than any other county—and the more recent marks of man's presence ranging from the gaunt engine houses of long defunct mine workings to the grassy solitude of Gwennap Pit, near Redruth, where John Wesley is said to have preached to up to 20,000 souls at a time. Notable museums devoted to Cornwall's mining past and present are at Portreath near Redruth, Carthew near St Austell and Wendron near Helston.

North-east, up on the wilder north Cornish coast, we would top a final rise and suddenly drop down on to one of a series



Boat reflections in Mevagissey's inner harbour, Cornwall

TRAVEL

SYLVIE NICKELS

of spectacular coves or bays. And there we would walk with a wind of breath-stopping proportions and watch the sea crashing on rocks round Boscastle or Tintagel or pretty little Port Isaac; or enjoy the comparative shelter of Padstow where turnstones pottered in the harbour mud at low tide and, out on the sands, cormorants stretched their wings to dry.

On a day of blues skies and magnificent calm, I crossed the Tamar back into Devon and swooped across a deceptively benevolent Dartmoor. Time was short but yielded two disparate gems in the way of hostelries. One was the Castle Hotel at Taunton, which may well prove to be my hotel-of-the-year. The building itself is interesting since it has grown out of a corner of the original 12th century pile (the Castle Museum is next door), but more importantly it achieves that rare combination of comfort, style and the feeling that you are a genuinely welcome guest.

Added to which we had a dream of a dinner: moussa of creamed smoked trout wrapped in smoked Scotch salmon, mouth-melting fillet of Quantock lamb with fresh garden herbs, and chocolate marquise on a coffee bean sauce. The Castle is not and does not set out to be cheap, but its special 2-night breaks at £64 for half board with private bath, complimentary flowers and sherry, until 30th April, offer fine value. So do their special interest weekends devoted to wine, music, etc, of which more on another occasion. A nice touch is an attractive pack covering all the things to be enjoyed within a wide radius.

Among these is the highly enterprising Bickleigh Mill Craft Centre whose adjoining and strictly non-mechanised farm produces many of the raw materials for its bakery and skilled craftsmen. This is near Tiverton, and I discovered it from my other hotel "find," Huntsham Court, Huntsham, tucked away in a maze of tiny Devon lanes, north-east of Tiverton. It's a rambling Victorian manor house with huge rooms, open fires and some marvellous Victoriana (not least the baths) with the emphasis on a relaxed house party atmosphere. The very large collection of classical records, including 200 complete operas, is at guests' disposal; so is the extensive library. Rates are £32 for half board (gargantuan home-cooked breakfast and 5-course candlelit dinner), use of sauna and sundry other extras. Special interest weekends are planned.

● Further information: West Country Tourist Board, Trinity Court, 37 Southernhay East, Exeter EX1 1QS; Spring Garden Holidays in Cornwall, Tregarne, 13 Melvill Road, Falmouth, Cornwall TR11 4AS; Penwith Cottages, Higher Trembath House, Buryas Bridge, Penzance, Cornwall TR20 8TS; The Castle Hotel, Taunton, Somerset; Huntsham Court, Huntsham, Devon EX16 7NA.

● Correction: Last Saturday's travel picture was not of a cottage owned by Charles and Lynda Baynes but by English Country Cottages. The Baynes' address is Mill Scar, New Biggin-in-Bishopdale, Nr Leyburn, N. Yorks.

Readers' verdicts on Jags

JAGUAR (by which I also mean Daimler) increased their UK sales from 1981's total of 5,688 to 6,440 last year, a useful hike at a time when the economy remained sluggish. A particularly bright spot was the improved performance of the XJS-HE. The 1,250 registered was just over double the previous year's total.

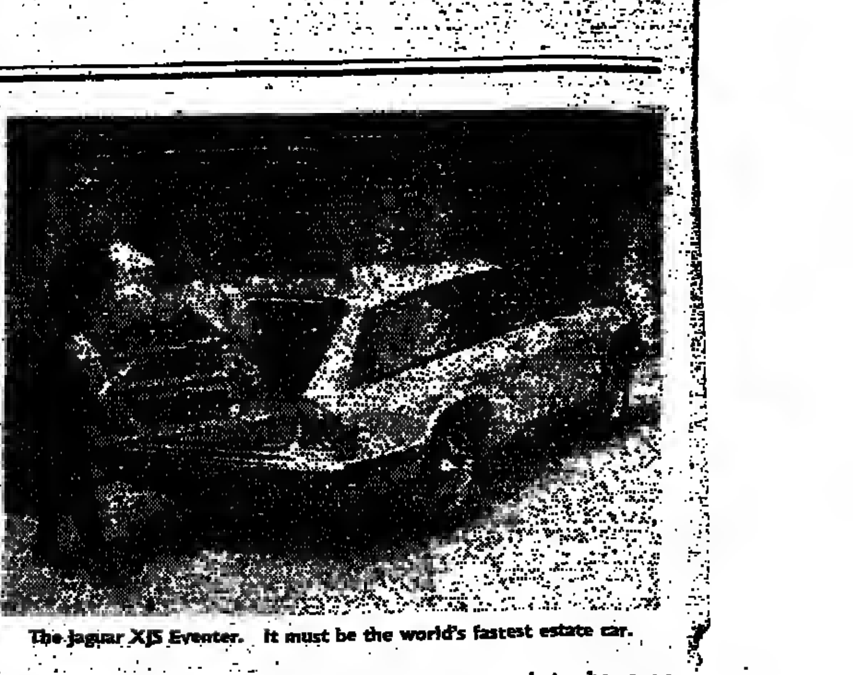
My picture is of an XJS-HE estate car. No, it's not a regular production model. The conversion is carried out by Lynx Engineering, of St. Leonards, Sussex, and sold through Patrick Motors of Lifford Lane, Birmingham. It adds £6,950, plus VAT, to whatever you paid for the XJS-HE in the first place. Listed price is currently £20,693.

I haven't tried the conversion, which is called the XJS Eventer, but it has improved the looks of the car from the rear—the part that always seems to me to have been styled by the tea lady on the back of an old football coupon.

Lynx Engineering say that with both seats folded, an uncluttered floor area of 6ft by 3ft 7in is provided. The performance could be slightly affected by the reshaping, but top speed will clearly still be at least double the motorway speed limit. Which should be enough for the owner who wants to lay a pair of Purdeys in the back with some Fortnum hampers and Uniroyal wellies and high-tail it for the moors. (Lynx are at 0424 51277).

Jaguar have also been going great guns, if you'll forgive the awful pun, in overseas markets, the US especially. There, last year's sales of 10,349 were 120 per cent up on 1981 and smashed the previous record of 7,348 cars sold to American buyers in 1976.

Improved quality of assembly and an exceedingly tough attitude toward components suppliers have been responsible for Jaguar's renaissance in the US.



The Jaguar XJS Eventer. It must be the world's fastest estate car.

MOTORING

STUART MARSHALL

Have the benefits of the management drive at the factory to get all the bugs out of an English classic filtered down to home market buyers, too? This was the question I asked here a few weeks ago and invited readers to give me their views.

If one accepts that people are always keener to write in complaint than in praise, then Jaguar must be pleasing a far higher proportion of buyers now than they were when I last asked for owners' views four years ago. Then, 30 per cent said nothing ever went wrong; 30 per cent said nothing ever went right; and 40 per cent said their Jaguar was far from perfect but it was so good when it ran properly, they would buy another in the hope that it would be better than the last one.

This time, with a far smaller sample to analyse, the proportion of satisfied owners is a little over 50 per cent. One, the chairman of a Yorkshire textile firm, said he had run Jaguars since he was 29 years old, when he had a Mk.1 2.4. Now, at 53, he was on his umpteenth. The most unreliable were the series II XJ6s. His present series III 4.2 was just over a year old, had over 30,000 miles on the clock and the only problem since its first service had been a warning light on the blink. "If this is typical of current production it must bode well for the future and attract back the deserters."

And a Loughton, Essex, businessman, who bought his first Jaguar, a 3.4, more than four years ago, found it the best and most reliable of the ten cars he had ever owned. "Now I have a Daimler Sovereign, which has proved to be even better. No one wants to get into a rut, but it would be difficult to change from a marque of such excellence."

There were plenty more where those came from, but the other side of the coin has to be examined, too. A Chester reader took delivery of his sixth Jaguar last August and in 10,000 miles had had a steering column and wheel bearing replaced and a number of smaller aggravations dealt with under warranty, both electrical and mechanical. The most annoying problems had been the failure of components that had worked perfectly well in his previous cars. "I have already had more problems with this Jaguar than I had over two years and nearly 48,000 miles in the previous one. Perhaps the best ones are going to the U.S.A.," he wrote.

A Dutch reader, a managing partner in an executive search company, had had Jaguars ranging from a Mark VII to an early XJ6 over the years and finally bought a series III XJ6.

After 15 months of ownership, during which he had problems with warped brake discs and a lot of body corrosion, made worse by what sounds like a most unhelpful dealer, he sold the car at considerable financial loss.

My own use of Jaguars comes in short, occasional bursts of a week or two at a time, during which one cannot possibly assess reliability, which is why I throw the question at readers now and again. For sheer refinement, comfort and balance, I still think Jaguars are ahead of the pack but they are showing their age mechanically, the sixes in particular. The four-speed automatics used by Mercedes-Benz and BMW in their largest cars are years ahead of the Jaguar's three-speeder. So, too, are their anti-lock braking systems.

Diesel delay

MY APOLOGIES to readers who are still waiting for the next "Friends of the Diesel Car" list of sites where Derv fuel is realistically priced. Of all the companies whose help I sought, only Ultramar and Elf have come up with hard information. Elf gave me a list of all their sites selling diesel, telling me by how much it was cheaper than 4-star on January 6. The situation is still so volatile that a list that was correct today would be out of date next week.

There was cold comfort from Esso. They reckoned the diesel buyer was getting a fair deal today but this was obscured by the fact that the petrol buyer was getting an unbelievably good one. In the 18 months since mid-1981, when 4-star cost £1.76 a gallon inflation had been around 15 per cent, yet 4-star today was only £1.63.

Cheaper Derv fuel is still available at stations patronised by taxis, but nowhere does it reflect the 12p a gallon Excise Duty differential between petrol and diesel. The oil companies are trying once again to get the price of petrol up to £1.75 or thereabouts. If they can make the increase stick, it should be possible to produce a useful "Friends of the Disel Car" list again.

I will announce it here and anyone who has sent me a stamped, self-addressed envelope will get one. Meantime, I can only suggest that diesel car owners ask cabbies where they go to tank up.

Paul Jennings takes a sideways look at holiday brochures

Anyone for Venice?

I BET THE PILE of travel brochures I have in front of me cost at least £25 to produce; and I got them by simply picking them up, no questions asked, in a 20-minute walk through Ipswich. Heaven knows what one could amass in a day in London.

This is not going to be one of those "I-wouldn't-be-seen-dead-on-a-package-tour" pieces. It is true that our most unforgettable holidays have been in a Provençal farmhouse, camping on the way with six children; but then the farmhouse belonged to the late, beloved Alfred Deller, and it is only in heaven or an unrecoverable past that a holiday with *him* singing Purcell and Dowland could be found.

We too have been on the package; we once went to Lugano on one organised, as far as I could see, practically by the Swiss Government: Air to Basle, rail journey right down through Switzerland. "Do not pay the taxi which will be awaiting for you," said the brochure, "it is included in the price." At the twilit, warm-night end of this day-long journey a railway porter at Lugano picked up our youngest, then 2½, gave a her a great kiss, saying "*Ah, che bella!*" which you don't get at Liverpool Street, and there was a taxi, with a man saying "Mr Jennings?" and there *wasn't* a charge.

And now, as she is nearly 18 and my wife and I are about the only British tourists who have never seen Venice (mind you, I've seen Florence five times and Ravenna twice), if the package (see brochure for details) is the cheapest way of getting and staying there, that'll be for us, one day. . .

All the same, there is something about this pile that compels the thought that the very phrase "holiday brochure" has within it the seeds of paradox, of contradiction, of two immiscibles forced together. "Holiday" has associations of freedom, spontaneity, choice, wandering, change. But "brochure" implies organisation, the ability to read increasingly complicated colour-coded forms with a lot of small print at the back about insurance, cancellation, force majeure, office use only, A, B, or C season, complaints, night flights, office use only, rail-air air-ship, office use only. . . .

I think perhaps the most ominous phrase is "we've thought of everything." Sometimes this takes the form of thinking, with extreme definiteness, of the kind of people they assume you want to take your holidays with (and surely I belong to a fairly large number of people who would answer "with my family and nobody else, except anyone *we* just happen to meet and like, and we reserve the right for this not to happen, if *you* don't mind.") There are brochures, aimed at people between 18 and 31 which say they can do what the hell they like "with no screaming babies or disapproving grannies" which look very much as though there may be a few screaming babies around, though not in those little thatched holiday huts, nine months later.

Nearly all the people in this kind of brochure are either (a) embracing, (b) throwing someone into some very blue water, (c) building a human pyramid in the water, (d) eating, drinking, sunbathing, etc, (e) all saying "cheese" at a beach barbecue or in some bar. In fact whatever they're doing they are all, always, smiling, smiling, smiling, in the same frantic way as those lunatics in the cornflakes TV commercials. A sudden terrible thought strikes me, suppose it *is* them, suppose they are all singing *A Sunshine Smile for You-oooo, bom bom*, right there among the pedalos and guitars? And yet for all this exuberance they seem to have Leaders who tell them where to go and what to do or at least "make suggestions." I don't remember, when I was between 18 and 31, ever having been remotely attracted by this type of holiday.

At the other end there are brochures for grannies, in flowery sun-dresses, almost always in a quartet, with silver-haired, good-dentured grandfather and another couple like those pairs they always have in ads for pension schemes for the self-employed or insurance for over-fifties, who always make me feel, think God, about 24 (another terrible thought, suppose it's *them*, too spending their modelling fees on this cruise to Corfu).

The odd thing is that you do not escape this groupie feeling by simply paying more money. Fancy coughing up £2,395 and knowing that on day two you would be in Disneyland, on day 20 "leave the grandeur of Mount Cook, pass the construction town of Twizel and descend into the Waitaki Basin—scene of much hydro-electric development and to Benmore and Aviemore Dams with their man-made lakes . . ." and with only the morning of day 37 for the Royal Chapel of the Emerald Buddha and also the Royal Pantheon with its life size statues of the past Chakri Dynasty" in Bangkok (the afternoon is "at leisure" although after the next day's Rice Barge Tour you can "sample the, . . . entertainment opportunities offered by the beckoning lights of the irrespressible Thai capital," if you can still stand up). Back in Heathrow—why are you not *different*, why is it still the same old you, after all that 24,910 miles you have done?—on day 41 (a Tuesday).

Of course the brochures have had, like everything else, to become more specialised, more professional; but I am afraid that what they produce in me is not a desire to go to any of the places they show (let alone go there with any of the people they show), but a nostalgia for the days when one went off at random and picked up *foreign* brochures, which told you where in Istanbul "you can see bird's eye view the city. Here, in the same time you will find an examplar of the Turkish Hospitality drinking aromatic tea offered by Mrs Nuri and Selahattin the two veterans firemen." Or of resorts where you could gloze on their sin-backed peaches, stay in hotels with flying water in all rooms, cross to the Island in a little benzine boot, or be where gay multi-coloured insects are crawling through these lines just as to prove that they too are enjoying the fresh air and the sun of the Tyrolese Alps; where you can eat Rape in Sauce, Bowels in Spir, Girled Chaps, Married Nut Basin, Priest Fainted, Lady's Thigh, Trousers Stewed, Fruit Ob the Quince Tree, Post Biff, Horse Rubbish, Foul rolled in Epinloon, Gritty Balloons in Soup (I am not making these up, you know).

But then, what city do you suppose this leaflet describes as *particolarmente famoso per la sua buona musica*, and has an area of 32.5 hectares dedicated to *giochi che no trovano eguale in nessun altro angolo della terra*, "games, which has no equal in any corner of the earth," *e piu caratteristici di tutti il giardino zoologico, il luna park e le auto-piste?*

Well, it is from an official leaflet about Manchester. And that is not humorous writing. It is serious.

House plants from the Caribbean

GARDENING

ARTHUR HELLYER

UNTIL I VISITED St Lucia recently it had not occurred to me that house plants purchased at popular British stores might come from there or, for that matter, from any other Caribbean island. Had I thought about it at all, distance and the consequent delays and cost of transport would have seemed insuperable obstacles. So they would were it not for the exceptionally favourable climate of this beautiful island and the advent of a jet service to Heathrow made possible by the rising tourist trade.

All the Windward Islands enjoy very equable temperatures and in St Lucia the thermometer rarely falls below 70 deg F or rises above 90 deg F. Though it is not much larger than the Isle of Wight, the island is extremely mountainous with Mt. Gimie over 3,000 ft and many lesser mountains and hills which so corrugate the surface that it has been necessary to make the runway for jets at the extreme south of the island 40 miles by road from the capital, Castries. Even here there are hills to north and south, and on the rainy night I flew home the incoming aeroplane had to circle the island 12 times before it could make a landing.

This highlights another aspect of the St Lucia climate. The mountains attract a lot of rain and, where the peaks are highest, the annual rainfall reaches 160 in. Even on the coast it averages 60 in, though I imagine this varies a lot according to the lie of the land and the way this chanels rain clouds. The wettest season is from August to November, but there is no really dry period.

In short, St Lucia enjoys the conditions of a well-run hot house without the expense of glass or fuel. As a result, growth of plants is luxuriant and it would seem tat almost anything from the tropical and subtropical regions, except those that are arid, could be grown in this island. As it is, the variety is bewildering. Mangoes and breadfruit trees grow everywhere. Tree ferns spread their huge fronds in the shady valleys and in some places ascend high up the face of cuttings made for the roads, covering them with superb curtains of feathery green. The humblest shack can have its 12 ft poinsettia bush or multicoloured croton hedge.

Bananas are now the main export crop but coconut palms grow with them in many places and, of course, find their way right down to the beaches. Trumpet flowered hibiscus bushes grow in most gardens and are much favoured by humming birds. Purple and orange bougainvilleas scramble over the buildings to mingle with golden allamandas and lavender-blue thunbergias. *Caesalpinia pulcherrima*, with scarlet butterfly flowers, appears to be a true native of St Lucia and that may also be true of an elegant green-bracted shrimp plant which grows freely beside some of the roads but never seems to appear in gardens.

So one could go on with a never-ending list of plants, but the point for my present story is that it indicates the suitability of soil and climate for the cultivation of tropical plants. This fact, and the construction of the long runway for jets no doubt suggested to Mr Laurie Barnard the possibility of starting a nursery for foliage house plants in St Lucia. In 1979 he and his brother Craig, together with The New Ruaton Garden Company of Clacton-on-Sea, Essex, formed Windward Island Tropicals and acquired 30 acres of land near Laborie, about eight miles from the airport.

The first move was to erect a one-acre shade house covered with fine mesh nylon netting, but in August 1980 this was destroyed by hurricane Allen. It was soon replaced and when I visited the nursery in January six acres were covered with this type of shade house, all well filled with plants. The present intention is to cover a further four acres by the end of the year and then pause for consolidation.

More house plants and other crops grow on approximately 14 acres of unprotected land and, if all goes according to plan, planting of these outside areas should be completed by 1984. In the open plants can be given greater space to develop, large kinds, such as *Ficus indica Abijan*, being planted three feet apart each way and smaller kinds, such as *Dracaena marginata*, 24 in by 18 in.

The first years have been to some extent experimental since there was no precedent for this kind of nursery work to provide guidance. One plant that was tried and found wanting was caladium but it continues to thrive around the nursery as a self-propagating weed — a tribute to the benign climate. Four kinds of dracaena are being flown to the UK and stocks of three more are being built up for future despatch. Some of these are sent as 12 in air layers with three or four heads, some as 9 in rooted cuttings, yet others as tips for rooting in this country. A considerable collection of crotons is also grown.

Sanseveria trifasciata laurentii and Futura are despatched in various sizes as bare root plants and *Schefflera arboricola* as 12 in air layers but *S. actinophylla* is sent as 24 in seedlings.

Aglaonema Silver Queen travels as large clumps and the yellow butterfly palm, *Chrysalidocarpus lutescens* is grown to over 24 in. Another palm, *Chamaedorea elegans*, the parlour palm, is despatched as anything from a small seedling to a 14 in clump, and plants of *C. Seifrizii* may be over 36 in. But the largest plants of all at present being flown to Britain appear to be of Ficus benjamina, the graceful weeping fig, which may be 6 ft to 12 ft tall.

Two varieties of India rubber plant are being grown, *Ficus elastica Abijan* and *Robusta*, are sent out as six- to 10-leaf air layers. Monstera is grown in its juvenile form, often known as *Philodendron pertusum*, and there is also another philodendron named Red Emerald. Other plants being tried are *Beaucarnea recurvata*, *Araucaria excelsa*, yucca, the Ming aralia (*Polyscias fruticoso*) and the false aralia (*Dizygotheca elegantissima*) as well as four more palms. Not a bad bag for little more than two years of uninterrupted work.

The tendency at present is away from cuttings and small plants to larger well rooted specimens. Packages are designed for particular kinds but all go into a large British Airways container for despatch every Sunday night. The plants are collected at Heathrow the following morning and taken to Clacton for resettling there until ready for sale. Plants come in under licence from the Ministry of Agriculture, Fisheries and Food, and 1 acre of the Clacton nursery is set aside for quarantine.

When I asked Mr Barnard if he regarded this as an expanding venture he replied "very much so," and added that new nurseries were already starting in neighbouring islands.

SNOW REPORTS

EUROPE

Andermatt (Sw)	80-270 cm	Snowing. New snow on hard base
Arosa (Sw)	120-180 cm	Good powder below treeline
Avoriaz (Fr)	95-210 cm	Excellent skiing conditions
Cervinia (It)	70-200 cm	Upper good piste skiing
Crans-Montana (Sw)	50-100 cm	New snow on good base
Davos (Sw)	120-200 cm	Good skiing on upper pistes
Ischgl (Aus)	90-200 cm	New snow on good base
Niederau (Aus)	50-130 cm	New snow falling
Saas-Fee (Sw)	45-150 cm	New snow. Good base
Sauze d'Oulx (It)	5- 90 cm	High winds
Seefeld (Aus)	60- 80 cm	New snow on good base
Selva (It)	30- 70 cm	Worn patches
Wengen (Sw)	50-150 cm	New snowfall on firm base

European reports from Ski Club of Great Britain representatives.

هكذا من الأصل

LBJ on his way

BY JUREK MARTIN

The Years of Lyndon Johnson: The Path to Power
by Robert A. Caro. Collins. £15. 882 pages


LBJ: was he a monster?

To judge by the controversy generated in the United States by this book, Robert A. Caro has created a new award: The Most Monstrous President; and its new champion—Lyndon Baines Johnson. What is more, he has done so by concentrating only on the first 32 years of LBJ's life. *The Path to Power*, all 800-plus pages of it, is but Part One of a planned trilogy.

Yet to be diverted by the controversy into speculation on the author's motives is to run the risk of missing something special. Mr Caro has produced nothing less than a truly sensational and enthralling book, totally original because he has delved into new, unknown territory—the real opinions of those who grew up with Lyndon Johnson in Texas. He comes up with a portrait light years away from the carefully nurtured Johnson myth.

Dark though the result may be, it only confirms the widespread belief that LBJ was a genius. Indeed, for this reviewer, the book serves to increase an already considerable regard for a consummate political practitioner; even if it does so through a rather perverse process.

Mr Caro lays his cards on the table right from the beginning in a sweeping, rather melodramatic introduction (his style, more Woodward-and-Bernstein than Macaulay, is intermittently irritating throughout). Understanding LBJ, he argues, is integral to understanding 20th century America (which is a little contentious and exclusive). And the key to LBJ is:

"A hunger for power in its most naked form, for power not to improve the lives of others, but to manipulate and dominate them, to bend them to his will. For the more one learns—from his family, his childhood playmates, his college classmates, his first assistants, his Congressional colleagues—about Lyndon Johnson, the more it becomes apparent not only that this hunger was a constant throughout his life but that it was a hunger so fierce and consuming than no consideration of morality or ethics, no cost to himself—or to anyone else—could stand before it."

Believe it or not, Mr Caro makes his case stand up. He takes apart, brick by brick, the carefully constructed popular edifice of the early Johnson years which has become American folk-lore—the poverty of growing up in the Texas hill country, made bearable by a loving family; the image of the well-liked college student; the early, quixotic stints of teaching; the first steps into politics; the apprenticeship in Washington under Sam Rayburn.

From those who grew up with the young Johnson — those who have never talked, in some cases out of fear — who are now growing old, he extracts an entirely different picture: a youth torn apart by an ambivalent relationship with his father (Sam Ealy Johnson Jr: the once-principled young politician who became an embittered near-bankrupt); a youth who, craving to escape from the grinding confines of the Hill Country, used regularly to run away from home; who fled, at 17, to California. (Not, as the Johnson myth would have it, to eke out a miserable existence there, washing dishes, but in fact living quite comfortably, helping an uncle in the law.)

Of many richly documented passages, none surpasses the account of LBJ's first great political triumph, at Southwest Texas State Teachers' College, San Marcos. His contemporaries recall that "Bull" (short for "bullshit") Johnson was perhaps the most unpopular undergraduate on campus; yet they explain, in exquisite detail, how he came to dominate student politics. He had the Principal in his pocket; he dispensed patronage jobs—critical, as the Depression took hold; he ruthlessly destroyed those who stood in his way; he rewrote rules; he used his colleagues — often without them knowing. In the process, he created the nucleus of his own political machine.

Equally revealing are the first years in Washington: initially as secretary to a Texan Congressman who preferred the golf course to the office, and thus gave Johnson room to grow in influence. Then, at the age of 28, he won a seat in the Congress in his own right. Suddenly he was a confidant of FDR; of the incorruptible, legendary Sam Rayburn; and of the brilliant young men who created the New Deal: Abe Fortas, William O. Douglas, Tommy "The Cork" Corcoran, Jim Rowe. It was heady stuff for the gangling, awkward young man from the Pedernales.

It was then, too, that he took as a lover the beautiful Alice Glass, young queen of the rich Virginia horse country. For once it seemed that LBJ was playing with fire: he was already married to Lady Bird; and Alice Glass was the mistress (later wife) of Charles Marsh, the wealthy Texas newspaper publisher, already a powerful Johnson patron. But the relationship remained secret then and has remained so since — until Mr Caro obtained the corroboration which has enabled him to reveal it.

At the same time Johnson was getting acquainted with real Texas money; above all, with the Brown brothers, Herman and George, of the construction firm Brown and Root. It was Johnson who probably saved the brothers from bankruptcy during his first year in Congress, 1937, by getting a federal law changed to enable them to complete a big dam in Texas. They were to repay the favour handsomely.

Lyndon Johnson was able to appear all things to all these different people. He was elected on a fervent New Deal platform, yet joined privately in the rabid denunciation of FDR, commonplace among wealthy Texans. He let Sam Rayburn treat him like a son, yet characterised Rayburn, without whom much New Deal legislation would not have been passed, as an enemy of the President—to FDR. He was what his audiences wanted him to be; and he used them to understand and find the levers of power.

This volume concludes with the only serious political mistake Lyndon Johnson seems to have made in his early life. He allowed the 1941 Senate election to be stolen from him by the "big money": Beer Inc, who backed his main rival, Governor Wilbert Lee ("Pass-the biscuits-Pappy") O'Daniel. He learned from this experience, too.

Ultimately, the fascinating aspect of *The Path to Power* is that, whatever the author's intent, he has written no simple anti-LBJ polemic. The sheer quality, not to mention the quantity, of his research transcends all else. Much of it is colloquial and anecdotal; but none the less valid for that.

It is also a study of means, not ends. Mr Caro obviously believes that the end, for LBJ, was power. Perhaps in the next two volumes, he will be able to make this case convincingly, too. It will be a harder task, because, as the world knows, LBJ's was a career with substantive achievements, good and bad, not all of which can easily be seen as simply incidental to the accretion of power. By the time he was 32 LBJ had come a long way from the Hill Country south of Austin, Texas; and the means were not often admirable. But they worked—and that is a secret which many politicians have forgotten these days.


Detail from "The Meeting of St. Nilus and Emperor Otto III" by the Baroque master Domenichino. It comes from Richard E. Spear's splendid two volume study of the artist's life and work in Bologna, Rome and Naples, from the Yale University Press (£75.00, the set).

FBI man

The Butcher's Boy by Thomas Perry. Constable, £6.95, 313 pages

Well-paced, intricate but comprehensible, American thriller. It involves the Justice Department, the FBI, the criminal underworld and, as co-protagonist, a professional killer whose nickname gives the book its title. Elizabeth Waring, of Justice, is the other principal figure in the book, wry and likeable. But it is the butcher's boy who sustains most interest, winning the reader's support by the brilliance of his ingenuity and the splendid conviction of his surviver's instinct.

WILLIAM WEAVER

Linked lira

BY GAY FIRTH

A Coin in Nine Hands
by Marguerite Yourcenar, translated by Dori Katz. Aidan Ellis. £7.95. 174 pages

A deserted husband pays a Rome streetwalker for rented, illusory consolation. She in turn pays a pharmacist's bill for medication useless against the reality of a lump in her breast. The pharmacist buys votive candles to strengthen *Aves* for his crippled grandchild; and the candle vendor, a Sicilian exile for whom "unhappiness had become a habit," pays a few coins to her landlady—"a woman committed to rebellion" against Mussolini's dictatorial distortion of a country and a city "that had invented the concept of the People"—for a few embers to light a fire.

We render unto Caesar . . . During the rest of a single day and night in Rome a ten-lira coin bearing the effigy of a monarch of the deposed House of Savoy flickers on to a doctor, to a flower-seller, to an artist: and into a tiny fountain presided over by marble gods. It glints casually through bands of separated by circumstance or choice, linked by anxiety or murderous conspiracy: new-minted in a book flashing with symbolism and dread. Marguerite Yourcenar's evocation of Rome under a modern tyranny, reverse-stamped with classical motifs of antique terror, is no worn curiosity for political or literary numismatists. She is a writer of extraordinary lucidity and power.

Fires was published in England last year; her only book made available in English since *Memoirs of Hadrian* in 1954. *A Coin in Nine Hands* is her first novel, written in 1934, revised in 1959. (Her essay on that revision appears as an Afterword here.) It was one of the first literary works to sound the alarm on the reality of Fascism. Nobody listened, of course.

It is an examination of political evil, a meditation on love, and a prismatic reflection of bravery. If these concerns are—or are allowed to become—nutdated or debased, then our peril is the greater: we are paid in our own coin. This one is gold: unalloyed by "Time, which, like Janus, is a two-faced god."

Under hammer

BY ANTHONY CURTIS

Rare Books and Rarer People
by O. F. Snelling. Werner Shaw. £9.50. 256 pages

That bookish novelist Graham Greene once made one of his hunted heroes take cover inside a London book auctioneers. It was in his wartime suspense story, *The Ministry of Fear*:

The weekly auction was to take place the next day, and visitors flowed in with catalogues; an unshaven chin and a wrinkled suit were not out of place here. A man with a ragged moustache and an out-at elbows jacket, the pockets bulging with sandwiches, looked carefully through a folio volume of landscape gardening: a Bishop — or he might have been a Dean — was examining a set of the Waverley novels: a big white beard brushed the libidinous pages of an illustrated Brantôme.

Until the Spring of 1981 any self-respecting bookworm could have recognised that passage as being Hodgson's, where books had been put under the hammer since the 18th century. Hodgson's was a family business with Hodgson fils succeeding Hodgson père on the rostrum; it was taken over by Sotheby's in 1967, but maintained a considerable measure of autonomy as "Hodgson's Rooms," still operating from 115 Chancery Lane, with its own staff and family head.

About two years ago the business was removed from there to the Sotheby's building in New Bond Street on the site of what had once been the Aeolian Hall, where it survives as little more than a name on a catalogue.

The author of the present book, O. F. Snelling, a well-known character in the rare book world, retired from Sotheby's some time in 1981, having worked as the Sales Clerk at Hodgson's since 1949. Anyone who has made the humblest purchase at Hodgson's over the years will recall his distinctive profile, his thick pebble-lensed spectacles glinting in the dim religious light as he sat at his long desk below the rostrum, entering the successful bids for each lot, totting up and making out bills, and sometimes bidding himself by proxy for an absent client, performing all these roles simultaneously during the course of a sale. Now in his retirement he has set down in a discursive but readable style the recollections of a lifetime spent among dealers and bibliophiles competing with each other to acquire the dusty volumes on Hodgson's shelves.

This ruling covetousness is the common factor among a most diverse collection of humankind. You will meet in Mr Snelling's sardonic pages as strange a *galère* as anything invented by the vivid imagination of Graham Greene. Among those who flit memorably through the book are Isaac Foot (father of Michael and a great bookman), Frank Doel (Helene Hanff's pen-pal), Raymond Toole Stott, the great Maugham collector and bibliographer, Peter and Helen Kroger and Gordon Lonsdale; the three last-named used bookselling and collecting as a front for their espionage activities in true Greene fashion. Was life imitating art or the other way round?

Mr Snelling's book is a charming addition to the literature of bookselling, and will itself one day perhaps come under the hammer as "Snelling FIRST EDITION, and four others."

Red 'tec

Red Square
by Edward Topol and Fridrikh Neznansky. Quartet Books, £8.95. 278 pages

Red Square is faction plus. This mixture of the real and the imagined has the racy, laid-back style of a typical American thriller combined with the complexity of a Russian novel. Not surprising as the authors were born in the USSR and now live in the U.S.

The fictitious narrator is an investigator in the Office of Public Prosecutor. His onerous task is to probe the death of Tsvigun, Brezhnev's brother-in-law. Brezhnev's survival in power rests on the findings. Did he commit suicide because his black-market links had been uncovered or was he murdered, and if so by whom?

Blood is spilt and much corruption uncovered as the investigator delves into the mystery. It is fast-moving and (almost) fun until the final chilling pages when the Soviet establishment disposes of those who have served it but now know too much.

"All the characters," say the authors, ". . . are entirely fictitious. If . . . any of them should happen to coincide with Soviet reality then so much the worse for the latter."

BRIAN AGER

Distant prospects of catastrophe

BY NICHOLAS BEST

The Ladies' Man
by Max Egremont. Sacker and Warburg, £7.50. 144 pages

Dusklands
by J. M. Coetzee. Secker and Warburg, £6.95. 125 pages

Entry into Jerusalem
by Stanley Middleton. Hutchinson, £7.50. 172 pages

Peacefully: in Berlin
by Patricia Wendorf. Hamish Hamilton, £7.95. 180 pages

The Ladies' Man of Max Egremont's first novel is a disgraced politician, a Profumo-like character forced to resign his office after an unwise affair with the wife of a drug pedlar. Lord Egremont's father was private secretary to Harold Macmillan during the Profumo scandal, and the parallels throughout the book are obvious. But readers hoping for another wallow in the filth, with just the names changed, will be disappointed. The author's approach is up-market. He has previously written political biography.

Living quietly in Ireland, several years after his disgrace, John Price is summoned to London by the woman who brought him down. She wants to atone, handing over a set of documents that she insists will save England. Documents of that sort usually call at least for a Sherlock Holmes or Richard Hannay, but these merely compromise a number of politicians who have accepted money from a South African. Among them is Peters, a po-faced left-winger whom Price befriended as a timid undergraduate, and who has shunned him ever since.

Armed with the documents, Price plans his revenge. Peters is setting himself up as the country's next Prime Minister. With the information in his possession Price is well placed to destroy him, as he himself was once destroyed. That he fails comes as no surprise, for the ending is signalled early on. Nor does his failure matter much. It is a major weakness of this rather strained novel that neither Price, nor Peters, nor the lifelong relations between them, excite the imagination for more than a moment.

Much more imaginative is J. M. Coetzee, the prize-winning South African novelist whose earliest work of fiction, *Dusklands*, is now published in Britain for the first time. In two mirror narratives of exceptional quality he charts the obsessions of two loners — one an American expert on psychological warfare in Vietnam, the other an 18th-century Boer — as both struggle to absorb the forces of barbarism into the civilised dusklands of the title. If his writing occasionally goes over the top, it is nevertheless writing of a high order.

In the first narrative, Eugene Dawn sits in the library of a Californian university weighing up the probability theory of an air victory in Vietnam. With faultless logic he reduces the chances of success to a splendidly incomprehensible mathematical formula. The author is not writing satire, but satire is one of the effects he achieves. Dawn ends up in a lunatic asylum, where he belongs. Ten years ago (when the novel was written) he might just as easily have joined the State Department.

In the second narrative, elephant hunter Jacobus Coetzee unknowingly puts Dawn's theories to the test. Ill-treated by Hottentots, he returns with reinforcements to carry out a punitive raid. The destruction is savage and total, the white man's victory complete. Yet the raid goes down in history not for the moral bankruptcy of the victors, but for the first recorded sighting in South Africa of the animal later known as a giraffe. As a comment on civilised values, related with tremendous clarity and vigour, "The narrative of Jacobus Coetzee" is in a class of its own.

Entry into Jerusalem, Stanley Middleton's new novel, is also the title of a painting, a revolutionary piece of work portraying Christ as a skinhead on a motor bike. "Revolutionary" is not in fact the most appropriate word, because the artist resists attempts by his Trotskyite girlfriend to introduce politics into his work. "John Worth," complains another of his sitters, "is a man waiting to become famous, instead of going out to chase fame." He is breaking new ground all the same, and although he does not yet know it, Christ as skinhead is the picture that will transport him from Midlands obscurity to the razzle-dazzle of the colour supplements and one-man exhibitions in New York.

Stanley Middleton's is the world of the provinces, of comparatively ordinary men and women living everyday lives, here observed with his customary attention to detail. If an element of routine has crept into his writing, there is also a contemporary note in the urban riots which keep the artist's sketchbook full. Perhaps the biggest departure from his previous novels is the book's experimental ending. Regular fans need not be alarmed. The experiment is small: and it works.

A first novel from a grandmother sounds unpromising, but Patricia Wendorf's *Peacefully: in Berlin* turns out to be a real pleasure. It tells in some detail the story of a young land-girl's marriage to a German prisoner of war and their subsequent hard times; in post-war Germany, later again in England. Its strength lies in the meticulously observed pictures of life in Germany under Allied occupation, described from a highly unusual—perhaps unique—point of view. "Cathy" kept a diary of everything she saw and heard during those traumatic years of reconstruction, and Mrs Wendorf has clearly done the same.

Three into one won't go

BY RACHEL BILLINGTON

Difficult Women. A memoir of three: Jean Rhys, Sonia Orwell and Germaine Greer
by David Plante. Gollancz, £7.95. 173 pages

This is a mysterious book. One of those books whose purpose is not easily discerned. Certainly it is entertaining, in the way recorded memories of interesting people always are. But surely David Plante intended more than this?

There are four separate parts. The first deals with his relationship with the already old, possibly senile, Jean Rhys. Much has been recorded about the last days of this sad, talented writer. Plante's particular insight comes from his attempt to help Miss Rhys pull together the threads of an autobiography. Thus they have "literary" conversations which can be illuminating despite their somewhat *Alice in Wonderland* quality.

Part Two describes Plante's friendship, again late in her life, with Sonia Orwell. This exists mainly through dinner parties at her house or, disastrously, at his flat. In an amusing setpiece he describes one such evening when Mrs Orwell talks with such wine-induced hysteria that, even including renditions of "Jerusalem" (not by Mrs Orwell), the party broke up by ten. Their longest association, however, comes during a holiday in Cortona where David Plante owns a small villa.

Towards the end of the holiday, also mostly disastrous, he analyses his reason for inviting her. "I had been drawn to her darkness because she, who commanded a place in the world, was justified in her darkness, and justified mine." His thoughts continue to this conclusion:

"Sonia was difficult, but she was difficult for a reason. She wanted, demanded so much from herself and from others, and it made her rage that she and others couldn't ever match what was done to what was aspired to. I admired her for being difficult. I could admire her like this when I wasn't with her."

This mood of introspection is rare in the book.

The third part is devoted to Germaine Greer. It seems longer and more vivid than the other two parts but this is doubtless because of Ms Greer's larger-than-life personality.

Again, their association is carried on mostly abroad, either at her villa in Tuscany or at Tulsa University where they are both teaching. Since she is the only one of the three subjects still alive, one is inclined to wonder about her attitude to the "memoir."

As usual, the stories of their travels are wittily recounted. But here there is a more intimate relationship with connected doors unlocked in motel rooms.

David Plante is making a totally personal record of three women but, although he is a principal in every scene, he is often reticent about his relations with them. For example, his own, presumably, homosexual ambivalence to the female body is hinted at but never properly explained.

This coyness is confirmed by Part Four. It consists of 20 pages of notes in alphabetical order. Under "E" we have "emotions":

Jean expresses her emotions with abandon and, when drunk, wildly. In person Sonia finds it very difficult to express emotions, except for anger. Her letters are filled with expressions of feeling.


Germaine Greer: larger than life

Perhaps the book can be most charitably read as the observations of a "highly-acclaimed" novelist: an insight into the fish-eye that every writer turns on to any fascinating character that passes through his life. If this sounds cold-blooded, then it may also be that David Plante was so affected by these three extraordinary women that he wrote this book as a kind of inquiring homage. It is, perhaps, a slightly disquieting kind of flattery.

HOW TO SPEND IT

by Lucia van der Post

The way to a craftman's art

Enthusiasm for fine art of the craft kind is blossoming around the country. Below **Peta Levi** reports on a northern venture . . .

FOR THOSE who sometimes despairingly feel that Londoners have the cream of the crafts to choose from, it is comforting to know that one of the best new galleries opened in recent times is to be found very far from the metropolis—at 46, Dean Street, Newcastle-upon-Tyne. Run by Rachel Hartree (right), 24-year-old daughter of Anne Hartree (who since 1976 has run one of the country's leading craft galleries, the Prescote Gallery, near Banbury, Oxon), it is refreshing evidence that not everybody believes that only large metropolitan centres can support a craft-based gallery.

The Hopper - Williams Designers' Gallery sells only true artist-craftsmen's work and displays it all in contemporary interior design settings — something which is rarely done, because it requires not only taste, flair and commitment but also space.

It all began when 32-year-old Bill Hopper, an architect, and 36-year-old Colin Williams, a furniture and interior designer, formed an architectural and interior design consultancy. They realised that part of the barrier between them and their public was that the public had no real idea of what they did. In an effort to demystify their activities they displayed a range of modern interiors using mass-produced accessories.

It created an unprecedented amount of interest and led Hopper and Williams to believe that a gallery which showed beautifully made, highly original interior accessories — such as furniture, wallhangings, tableware, glass and decorative ceramics — would be even better received. The idea was to show the work of our best artist-craftsmen as well as some mass-produced Continental furniture, fabrics and lighting.

Hopper and Williams got together with Northern Arts, the first regional arts association to promote a commercial venture, and decided to employ Rachel Hartree to organise the exhibition programme and to offer a proper retail outlet for the rich variety of wares being produced by artist-craftsmen.

Rachel Hartree's involvement in the setting up of her mother's gallery, Prescote, as well as her work with the Warwick Arts Trust and the Crafts Council, meant that she already knew the work of most of our leading craftsmen. Hopper and Williams, therefore, are giving her a totally free hand, though the budget is small. One of Rachel's main problems will be to persuade artist-craftsmen to show their work on a sale-or-return basis since she cannot afford to buy everything she shows.

Rachel says: "I have two spaces; one is 40 ft by 18 ft with very high walls and a spiral staircase, and leads to the other upstairs area, half that size. The gallery is smart, with a clean, pure atmosphere, quite avant-garde." She is breaking up the downstairs space with lengths of fabrics or cabinets and shelving and creating a number of room settings. She is particularly interested in batch production by artist-craftsmen, for this means lower prices which make the work more accessible to more people.

For instance, part of Floris van den Broecke's new range of upholstered furniture (designed in collaboration with textile designers Morgan and Oates) will be made in different ways. A one-off prototype chair costs around £500, one with metal frame manufactured by a British company is £200 and another, with wooden frames made in workshops, is around £300.

At the gallery's inaugural exhibition in November there was a circular glass-topped table with metal legs by Ashley Cartwright and some lively coffee tables in natural and contrasting stained woods by John Coleman, costing between £100 and £150. On one of Coleman's natural and pink-stained sycamore tables was some ruby-rimmed glass from Lindean Mill. Robert Peacock has produced some sycamore and yew mirrors for £78. Then there was an Italian dining table with David Mellor cutlery and Pauline Solven's latest design for Cowdy glass, clear with bright coloured rims and handles.

One of Rachel's aims is to promote artist-craftsmen from northern England, so she will include as much work by local people as she can. Richard Kell, who has just been awarded a Crafts Council grant, makes dice shakers and turned wood boxes in exotic African and South American woods (prices from £50). Paul Manson, a glass blower who trained at Stourbridge, has travelled to Jersey and Finland and makes spiral vases and bowls; he is hoping to develop locally a Cowdy-type production studio glass workshop, making functional pieces. Another is Valerie Kirk, a tapestry weaver. The North is strong in tapestry weaving, largely due to the Dovecot Studios, one of only two tapestry weaving studios in Britain: it was established in 1912 as a development of William Morris' Merton Abbey Workshops. A former Dovecot director, Archie Brennan, set up the tapestry department at the Edinburgh College of Art in 1978.

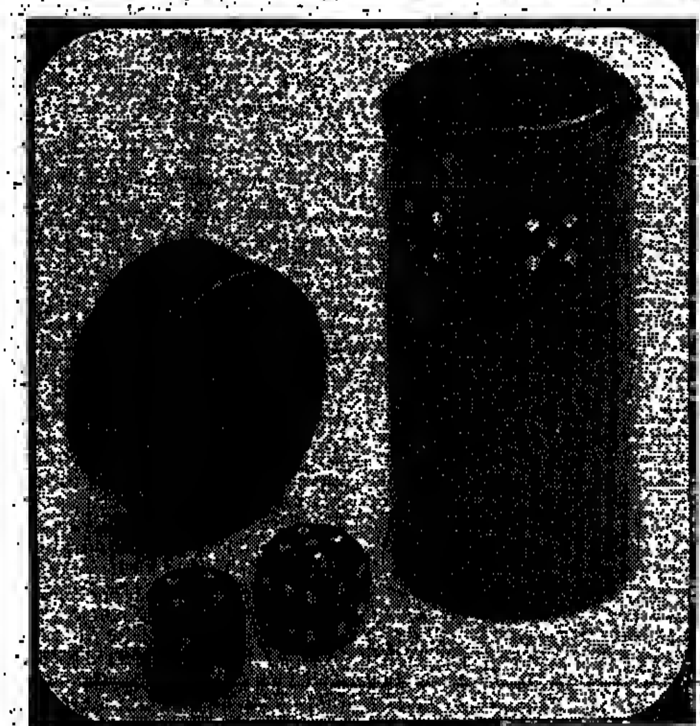
Rachel describes Kirk's work as being like Japanese pen and ink drawings of free abstract landscapes in greys, browns and creams; they cost around £300 for a 6 ft by 4 ft tapestry.

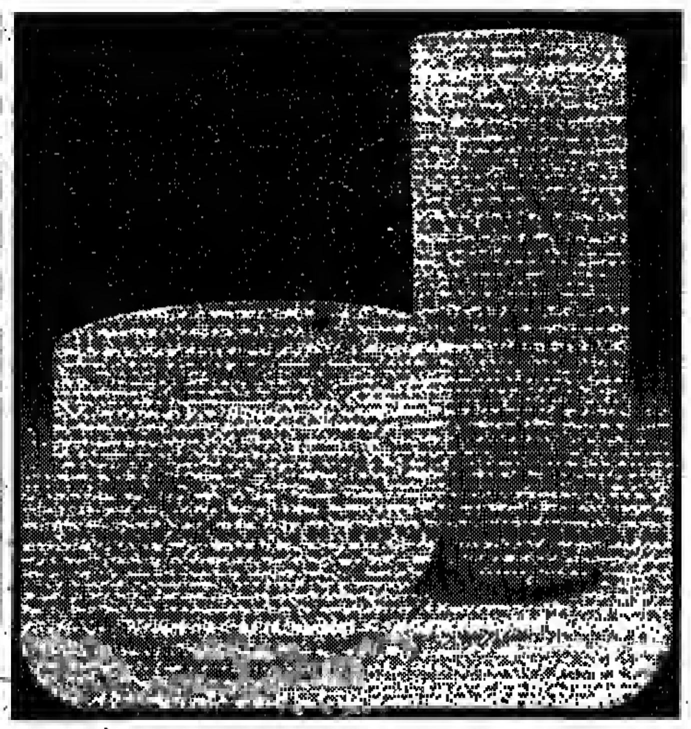
Just started is an exhibition on lighting which will feature the work of Ralph Ball, Maxine Naylor, Sally Townshend, Julian Rankin, Mike Stevenson, Shiu Kay Kan and a local designer, David Bashton, who makes stained glass lights. In addition she will be showing the latest designs from three of Italy's best manufacturers Flos, Arteluce and Tronconi. Anybody interested has until March 5 to see it.

Rachel hopes the gallery will draw visitors from as far afield as the Lake District, the Scottish Borders and North Yorkshire.

The gallery is open from Tuesday to Saturday, 9.30 am-5.30 pm and on Thursdays until 8 pm.

Dice-shaker, left, in African kingwood by Richard Kell, £68: hand-blown bowl and vase in pink and blue by Paul Manson, £120 each





. . . and in the south **Judy Whale** explores a workshop that is all things to all people

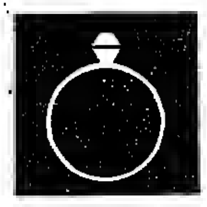
IF you mourn the loss of that little man round the corner who used to make and mend for you, and you're within striking distance of Clerkenwell in London, then the Clerkenwell Green Association for Craftsmen should give a lift to your heart. As one of its clients, you can not only profit from its members' talents but have the opportunity of becoming a patron of the arts and crafts as well.

The CGAC was set up 13 years ago. Escalating rents and rates were making economic survival difficult for the crafts traditionally practised in Clerkenwell, and existing workshops were threatened with conversion to offices. The Association grew, fought and won legal battles, and in 1979 opened a workshop complex in Pennybank Chambers, 33-35 St John's Square, EC1, a refurbished building which had begun life exactly 100 years before as a savings bank for artisan craftsmen, with living quarters above.

Along with Hornwell House (opposite the old Sessions House on Clerkenwell Green) it shelters nearly 100 craftsmen and women, who embrace pretty well the A to Z of craftwork. (X momentarily stumped the Association's chairman, Leon Appleby, when I saw him recently, but he recovered to suggest that musical instrument-makers would doubtless deal with xylophones.) Bookbinding, jewellery-making and repairs, silk-screen and litho-printing, glass-engraving, clock-making, knitting, weaving and even plumbing are all to be found here. And if you can't find what you're looking for just ask the manager, Brian Penny, who will point you in the right direction.

There's satisfaction in meeting craftworkers personally: you can discuss your wants, and the ideas and technical details involved, without the barrier (and expense) of a middleman. So whether you'd like a ring made, a tapestry woven or just a necklace restrung, you get straight to the hub of the matter. Jewellers, for example, can assess what kind of ring would suit your hands or how best to adapt an old-fashioned setting, and show you their existing stock or make sketches.

Access, alas, isn't always quite as easy as you might like. Because many of the crafts involve precious or rare materials, and there are no burglar-proof shop fronts to protect them, the Association understandably doesn't throw the buildings open to passers-by. So you're asked to write in the first instance to Brian Penny, at Pennybank Chambers: he'll consult one or more of his members and let you know who to contact. It is a bit laborious, but well worth it — I've had my grandmother's fob watch restored, a ring made from her wedding ring and an earring, and a pearl replaced in another ring.



If you want to keep up with members' work go along to the exhibitions held at the Pennybank Chambers gallery, which is sponsored by the CGAC. There have been shows featuring sculpture, botanical art, stained glass and fabric design.

But the promotion of arts and crafts and a respect for hand-made work, are only part of the Association's concerns. It has specific educational aims, too: it subsidises workshops for students just out of college, funds them to buy tools and helps with training. It has a library of craft books; and it runs lectures for school-leavers —last year's included sessions on silversmithing, jewellery-mounting, music-box repairs and watchmaking. It is therefore a registered charity, and welcomes sympathetic backing to further its schemes. As Leon Appleby points out, animal-lovers, for example, give money to the RSPCA, so how about people who care about survival giving a helping hand to the CGAC? (You can do this initially by becoming a non-practising member for £5 a year.)

Pauline Rosenthal

Interested enquiries, membership fees and donations can be sent to Brian Penny at Pennybank Chambers.

Postscript

Valentine's Day is a day, it seems, that many people recognise though few admit to it. Altogether some 7m cards were bought in 1981 according to latest figures from the Post Office, some 3½m of which were posted. The rest were presumably slipped beneath typewriters and on to the breakfast tables. There are, of course, many other ways of declaring your affections. Here are a couple of thoughts for last minute enthusiasts.

If economy isn't your first priority on this indulgent day; £35 will buy you a special Love Basket from Nuttalls, the hamper people. This consists of a hamper containing a bottle of Lanson black label champagne, or pink bubbly (£3.50 extra), two glasses with glass swizzle sticks, one pound of hand-made truffles and a single red rose.

Prices include carriage anywhere in the UK mainland. Be sure to place orders before Wednesday to arrive in time for Monday. Contact Nuttall Hampers, Littlewick Green (062882) 3261.

On the same lines, Baskets With Love at 39 Lower Richmond Road, London pretty romantic goodies. They go from £10 for an 8 in teddy in a basket and go up to £32 for the Valentine Special, a heart-shaped cake plus one bottle of grand marque champagne. Personal delivery, in London only, is extra. The shop will send by post though it is not practicable in all cases. Allow up to £3 postage and packing. Telephone 01-878 7201.

●

A playground for grown-ups might sound a contradiction in terms but that adult store Selfridges, in Oxford Street, London W1 is holding just that for the next week on its fourth floor. No ordinary play area this, the Beauty Playground—which is a repeat of last year's successful event—gives visitors the chance to experiment with a comprehensive range of products and have a professional make-up from any of the 20 participating cosmetic houses.

The gratifying side to all this is there is no pressure on you to purchase. In fact cosmetics are on sale only on the ground floor, and though there is an entry voucher of £1, this is redeemable should you decide to buy any product.

ARTS

Tomorrow and today

The last of Radio 4's *Broadcasting Tomorrow* series on Sunday had the Director-Geoeral in the hot seat, but there was only a marginal improvement in the quality of the phone-in. I'm sure 480 4411 must have gone red-hot when Mr Alasdair Milne reckoned that *Dallas* was probably only good for one more season, for this is about the level of the points raised over the phone. Here were the complaints about reception difficulties and the licence fee. Here (a splendid novelty) was the Welshman who thought the BBC was too London-centred, and when assured by the D.G. that Welsh radio was certaiely not, complained that it was Cardiff-centred. (Surely this was the chap I once sat with on a Welsh drama committee, who said that what would be acceptable to the North Walians might not be so to the South Walians.)

RADIO

B. A. YOUNG

Mr Milne had a much more interesting time on Radio 1 on Monday, when he and John Whitney, D.G. of the IBA, faced an audience of media study students, Paul Gambaccini in the chair. These young people took nothing for granted. Why, for instance, were we being given cable and satellite channels without any public debate about whether we wanted them? Would not this plethora of entertainment undermine the present quality for broadcasting? BBC and IBA both felt the need for some kind of ceetrol, such as currently exercised. Peter Jay, interviewed before the real debate began, was against any form of control. Having seeu TV-am's first morning's programme all through, I can see why. It's the best boost yet for Radio 4.

The two most interesting requirements the students put forward were more community access, with an emphasis on "interactive" broadcasting; and the establishment of media workshop for the greater understanding of the new techniques. The students were a practical and surprisingly conservative lot, and I found it a pleasure to listen to them.

E. L. Doctorow's play *Drinks Before Dinner* (Radio 3, Thursday) isn't the kind of thing to thrill admirers of his novel *Ragtime*. I saw it at the Edinburgh Festival two years ago and thought it dull; on radio, despite a director, Yuri Rasovsky, invited from the National Radio Theatre of Chicago, it was still dull. Perhaps Mr Doctorow meant it to be dull, as a comment on the society it occupies.

We bave 80 minutes' cocktail-time conversation at an American dinoer party where the guest of booour is to be the Secretary of State, rather than the conductor of the Philharmonic Symphony. The guest of dishonour is Edgar (Paul Daneman), who politely draws a gun that he had bought on his way home, from a strange boy in the street, and, when the Secretary of State arrives, politely ties him to his chair and challenges him to divulge his plans to meet the end of the world, a crisis brought up in conversation by the host's children. The unchanging note of moderately animated drawing-room talk is sustained throughout.

It was nicely played enough, with Barry Morse as the Secretary, Bob Sherman and Toby Robins as the unfortunate host and hostess. But a play so determinedly short of colour is no proposition for radio.

On the other hand, when I compare it in my mind with Paul Allen's *Watch This Space*, the previous day's Afternoon Theatre on Radio 4, I concede that Edgar's unorthodox behaviour is at least a point in its favour. Mr Allen's play tells how a fine old veteran railwayman, awarded early retirement at 55 on the very day of his award for 35 years' services, goes to a stretch of line where he spent so many happy days and gets himself run over by a dmu, or diesel multiple unit. Nothing happens that is not foreseeable from half-way through or earlier. True, it is notable that, in Sherlock Holmes's phrase, the dog did nothing in the night-time, that is to say, the railwayman's drop-out son Bernard is started hut never developed. But everything else is so conveetional, I got the feeling he'd been truncated so that the play could fit inte a 40-minute slot.

In the interval of a rather ordinary concert on Radio 3 on Sunday afternoon, Mike Walker presented a programme on 17th-century cook-books, *Fall to Therefore, and Much Good May it do You* (the epigraph in one of them). Of a bounty of delicious things, I recall Sir Kenelm Digby's formula for boiling eggs, which is the same as mine two centuries later, and Rebecca Price's frank comment at the end of one of her recipes, "I have made them and did not approve of them." I wonder how often that thought ran through Mrs Beeton's mind.

Popular illusions

Michael Coveney considers the current theatrical vogue for plays within plays and finds it invigorating.

In an article in The Guardian on Thursday, the playwright David Hare stated that his oew work at the National Theatre, *A Map of the World*, "has opened to quite a furore." In fact, it opeoed to a couple of unreservedly enthusiastic ootices (including mine in this newspaper) and a general wet blanket of bored condescension.

A conference on world poverty is being held in a luxury hotel in Bombay. Ideological battle is joined between a British left-wing journalist and an Indian right-wing novelist. They are competing for the favours of an American actress. Many reviewers ran into trouble the moment the reality of what they were watching was questioned by the device of containing the action in a film that is being made six years after the conference has happened. A theme of the play therefore is the coofusioo of the issues with the manner of their presentation. It has been argued that if an audience is not clear as to whether the protagonists are arguing as "real" characters or as actors playing those characters, the serious intent of Hare the dramatist is somehow completely undermined.

I believe exactly the opposite to be true. No film critic, as far as I know, raised similar objections to such works as Truffaut's *Day For Night* or Pinter's reworking of *The French Lieutenant's Woman*. The excitement of *A Map of the World* is both intellectual — here is a large-scale play raising crucial issues of our day — and, in its toying with the artificiality of the medium, utterly sensual.

The entire history of the theatre is one of exploitation of the ambiguities inherent in the conjuring of a real world in an artificial environment. Hare's Bombay hotel itself is seen to be an artificial place, but the complexities spiral as it becomes clear that not only the film being made is distorting the events, but also that the carapace of well-turned argument is itself a distortion of what the characters really believe. The final irony is that the novelist arrives on the film set to complain about the fictionalising of his own fiction.

Thus the texture of the play is rich and exciting. Similarities have beeo rightly noted with Tom Stoppard's *The Real Thing*, in which a writer discusses his art in the painful context of his wife's dalliaoce with a rival ablaze with left-wing political commitment touted as a valid substitute for technical skill. Also in the West End at the moment we bave Michael Frayn's blissfully funny *Noises Off*, which is an inventive burlesque on theatre manners set against a background of life on the road with a tatty touring company.

The theatre's awareness of itself would seem to be back in fashion, but to read the two volumes on popular traditions in the English drama by Peter Davison* is to remember that there is oothing particularly novel in this sudden vogue. The theatre has been hurlesquing itself since the comedies of Aristophanes and many of the techniques of direct addreses, play-within-a-play, artifice as reality (and vice versa) were a staple diet of Elizabethan and Jacobean theatre.

The discussion of "what is real" in the theatre is a major theme in Shakespeare (brilliantly elucidated in Anne Righter's *Shakespeare and the Idea of the Play*) and in such Jacobean plays as Massinger's *The Roman Actor* (stunningly prodoced last season at the Glasgow Citizens'). In fact, the more one meditates on the subject, the more obvious and indeed tautological does Professor Davisoo's work appear.

He rightly suggests that the device of the breaking of the dramatic illusion was re-introduced into English drama 20 years ago by such European influences as Pirandello and Brecht. But while some commentators bave euggested that Osborne's *The Entertainer* (1957) was written in respense to the visit of the Berliner Ensemble te London in the previous year, Osborne himself denies this and points instead to his affection for, and knowledge of, the last days of the British music hall in general and the act of Max Miller in particular.

Osborne, Stoppard and Peter Nichols have all, in different ways, been obsessed throughont their careers with the theatre as artifice. Osborne's *A Ssense of Detachment* was the playwright's ultimate statement of this obsession, a brutalist confection of muddled notions of thetrical reality as aggressively savage in its way as something more pretentiously *avant-garde* as Peter Handke's *Offending the Audience*.

Professor Davison makes some interesting comparisnns between Shakespearian comic cross-talk and music hall routines in this country during the 19th century. He describes how the Licensing Act of 1737 may have put paid, for a time, to satire in the theatre, but net to the phenomenon of self-awareness. In 1779 Sheridan wrote his brilliant hurlesque *The Critic*; just ever a century later Pinero celebrated a vanishing theatrical era in *Trelawney of the Wells*. In between these landmarks, respectful sileoce descended en the auditorium after the installation of gas, which led to the brightening of stages and the darkening of auditoria.

There grew up the distinction between the legitimate and the illegitimate stage. It is the renewed invasion of the former by the latter that Professor Davisen discusses, sometimes ingeniously (as in the theory that Tony Hancock somehow figures in Pinter's Davies in *The Caretaker*) and sometimes in language of charmless academic banality ("ITMA . . . did a great deal to train audiences to be able to respond effectively to post-1955 drama.")

The fact is that most devotees of ITMA would not be seen dead near a play by Beckett or Pinter. The theatre is still, by and large, a middle-class preserve. Hence the efforts over the last 15 years of well-meaning fringe greups to take to the road and return the theatre to the masses. The masses, of course, are quite content with an annual seaside cabaret or the Christmas panto, thank you very much. But in the meantime, London is indeed fortunate to have three such stimulating plays as these by Frayn, Stoppard and Hare.

* *Popular Appeal in English Drama to 1850 by Peter Davison. Macmillan. £17.50. Contemporary Drama and the Popular Tradition in England by Peter Davison. Macmillan. £20.*

Diana Quick and Roshan Seth in David Hare " A Map of the World "

At home with art

"Art movies", the phrase sends a sepulchral chill through hundreds of moviegoers each time they hear it. It conjures up obscure Slavonic films on BBC 2, or six-hour Satyajit Ray trilogies or intensely, deeply black-and-white, Ingmar Bergman movies that we were peer-pressured into sitting through in our student days, and cooing at in simulated admiration. Later, of course, given half a chance, that admiration becomes genuine, and rightly so. "Art movies" are only a bore when they're a required chore.

Te banish finally all resistance te foreign-language or "avant-garde" cinema, let us welcome Palace Video: a company formed last year to bring inte the cassette market films by such as Fassbinder, Wenders, Godard and Herzog. The Palace wares I have sampled all boast excellent colour and picture quality and good subtitling; and they make foreign movies something you can approach in a relaxed, at-home mood without feeling nailed to your seat at the local art-house while unknown languages fly and squawk around you.

Palace's superb Werner Herzog collection already contains every major title by Germany's great prophet-eccentric. *The Enigma of Kaspar Hauser*, *Even Dwarves Started Small*, *Stroszek*, *Fitzcarraldo* and many of W. H.'s cherishable short films. In a bold gesture of fidelity towards the original screen-ratios, top and bottom ef frame are often "bordered off," usually in black, making the screen dimensions much closer to what Herzog originally intended. (Even in a non-widescreen film, TV transmission neccesities lopping off the sides unless such borders are used.) My only quibble is with the use of *white* borders in several scenes of *Kaspar Hauser*: here the effect is distracting rather than restorative.

But the showpiece tape in the Palace Herzog collection is *Aguirre, Wrath of God*: that tale of madness and conquistadors in the deepest Amazon. *Two* versions of the film, both beautifully reproduced, are included on the same tape. One has English dialogue, the other subtitled German. What cinema would offer you such luxury of choice?

Fassbinder, meanwhile, that peerless wielder of a primary palette, is represented by *The Bitter Tears of Petra Von Kant*, *Fear Eats The Soul* and *Fox And His Friends*, three of his best early films. And Wim Wenders's *Alice In The Cities* is a superb comedy-odyssey by the third *wunderkind* of the New German Cinema: about a man and an abandoned little girl hiking the highways together as if in Teutonic emulation of *Paper Moon*.

From Britain, Palace have plucked Derek Jarman's baroquely inventive *The Tempest* and Chris Petit's *An Unsuitable Job For A Woman*; a film whose rain-rich rural anxieties and dark demure murder-plot survive almost unscathed in the passage to video. (Martin Schafer's photography, with its saturated pastel colours, is an especially well-preserved marvel.)

From America, Palace gather up the works of John Waters and dump them in your lap, prompting you either to rejoice or to get up and leave instantly. I don't see how you could resist Waters's *Female Troubles*; a piece of stratospheric High Camp starring his favourite transvestite 200-pounder heroine "Divine." But you might demur at the others, which tend to be more frenzied and less funny.

VIDEO

NIGEL ANDREWS

Other Palace titles now available include *Mephisto*, *Angel*, *The Loveless* and *The Magic of Coronation Street* (?!). The latter is a round-up of samples from the vintage early years of British television's latheriest and most long-lasting soap opera.

Let us not, finally, neglect *Plan 9 From Outer Space*, one of the finest Palace plums and a famous Golden Turkey winner. Bela Lugosi stalks the mist-wrapped cemeteries of California in the last role he completed — or rather didn't quite — before his death. The lamented BL died halfway through the production, whereupon a taller stand-in, with a cloak permanently held over his face, was recruited to complete the movie: with results that must be seen to be disbelieved.

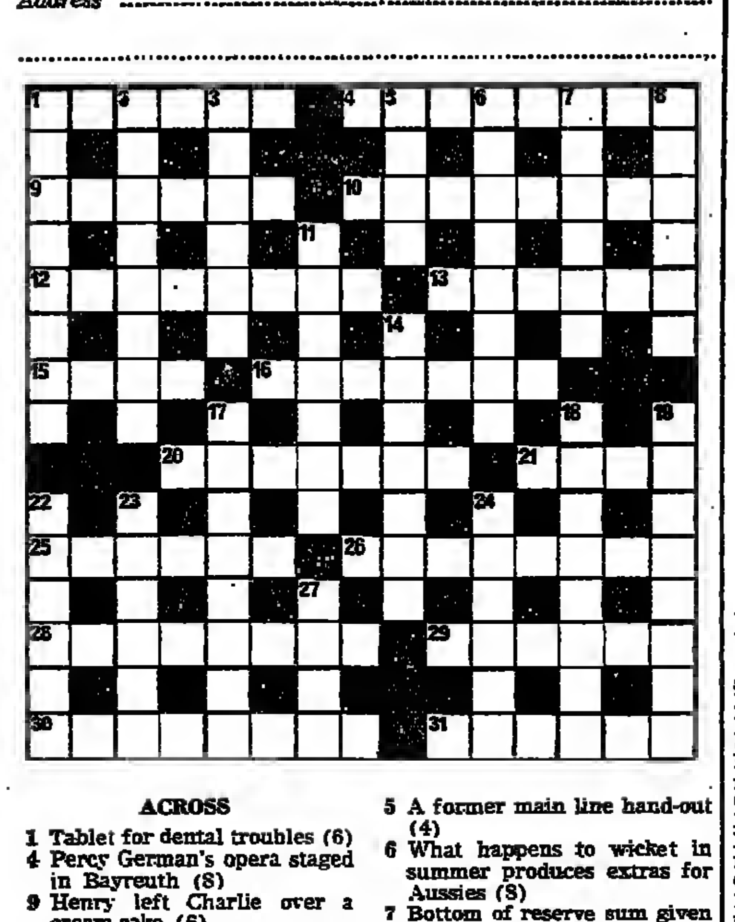
As space beings in ill-fitting lurex descend to Earth to animate the dead, this absurdist masterpiece is jogged along by director Edward D. Wood, a well-known Hollywood turkey-rearer. The film features the kind of acting, lighting and special effects that would get a rocket from the headmaster if offered in a school play. Offered here, they're a 40-carat naif delight in an industry from which we too often receive tinsel-fake sophistication.

F.T. CROSSWORD PUZZLE No. 5,090

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



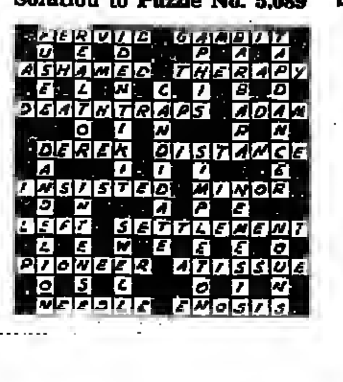
ACROSS

1 Tablet for dental troubles (6)
4 Percy German's opera staged in Bayreuth (8)
9 Henry left Charlie over a cream-cake (6)
10 "The Mount" — correct address of cardinal (8)
12 Rash taking second half of "Gigi" Tempo 1, agitato (8)
13 Such injury is universal in market setback (6)
15 Scheming—to revolt beside (2, 2)
16 Keeoer to have urn buried in Rome perhaps (7)
20 Great deal of weight to carry—old horse in temper (7)
21 Yet the game requires partners (4)
25 Anxiety commonly felt in Verne's novel (6)
26 Old wood amidships drops off (8)
28 Ladies-only sleeper — no others specified (3-5)
29 Salmoo Eoglish girls order (6)
30 Unreasonable, like poet's charges? (8)
31 Don, for example, fellow with lesser degree (6)

DOWN

1 Prior is clergyman in religious environment (8)
2 Everybody oo ring-road is orthodox medical practitioner (8)
3 State of being in particular place, where for Latinist has yet to be found (6)
5 A former main line hand-out (4)
6 What happens to wicket in summer produces extras for Aussies (8)
7 Bottom of reserve sum given to America . . . (6)
8 . . . their general method is to make room for movement (6)
11 eg Highbury out of deep water (7)
14 Delicate Friar Swift (7)
17 Do well-to-do people sink it? (8)
18 Food according to merry king's statute (4-4)
19 Could be far worse—renounce with determioation (8)
22 Release from bold and punish severely (6)
23 Capital of Denmark (6)
24 Without principle setting morning examination (6)
27 Proclaims—chores not begun! (4)

Solution to Puzzle No. 5,089

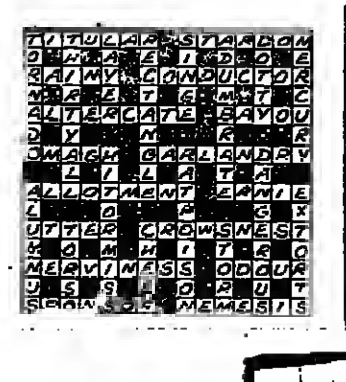


SOLUTION AND WINNERS OF PUZZLE No. 5,084

Mrs E. Foggo, 6 Huddersfield Road, Mirfield West Yorkshire.

Mr J. S. Young, 30 Litchfield Way, London, NW11.

Mr J. H. Perryman, High Beech, Maoor Road, Penn, Bucks.



BBC 1

† Indicates programme black and white

†9.00 am Leon Erroll in "Texas Tough Guy." 9.15 Hold down a chord. 9.30 Saturday Superstore. 12.12 pm Weather.
12.15 Grandstand, including 12.40 News Summary; Football Focus (12.20); Cricket (12.45, 1.10) The World Series Cup: England v New Zealand from Perth; Racing from Wetherby (12.55, 1.20, 1.55); World Cup Ski-ing (1.40) from St Anton; Rugby Union (2.10, 3.55) Wales v England from Cardiff Arms Park, Wales; and at 3.55 France v Scotland from Parc des Princes, Paris; 3.50 Half-time soccer scores; European Ice Figure Skating Championships (3.55) from Dortmund; 4.35 Final Score.
5.15 News.
5.25 Regional Variations.
5.30 Rod and Emu's Saturday Special.
6.00 Jim'll Fix It.
6.35 The Saturday Film: "Silver Bears," starring Michael Caine, Cybill Shepherd and Louie Jourdan.
8.25 The Les Dawsoo Show.
9.00 News and Sport.
9.15 Dynasty.
10.05 Wogan.
10.50 Saturday Late Film: "Operatioo Uodercover."

REGIONAL VARIATIONS: Wales—5.25-5.30 pm Sports News Wales.

Scotland—12.15 pm As Grandstand BBC-1 except 1.40 Indoor Hockey from the Home International Championship. 1.50 Rugby Union: France v Scotland. Live coverage of this afternoon's match in the Five Nations' Championship from the Parc des Princes. 3.30 Wales v England. Highlights of today's other international at the National Stadium, Cardiff. 5.25-5.30 Scoreboard. 12.40 am Scottish News Summary.

Northern Ireland—5.05-5.15 pm Northern Ireland Results (opt-out from Graodstaod). 5.25-5.30 Northern Ireland News. 12.40 am Northern Ireland News Headlioes.

England—5.25-5.30 pm London aod the South-East: Sport: South-West (Plymouth): Spotlight Sport: All other English Regions: Sport/Regiooal News.

BBC 2

10.10-12.15 am Opeo University.
†2.10 pm Saturday Cinema Double Bill: "The Bells Go Down," starring Tommy Trinder, and at †3.35 "Frieda," starring David Farrar and Mai Zetterling.
†5.10 Charlie Chaplio io "Behind the Screeo."
5.40 Buongiorno Italia!
6.05 Cricket: The World Cup Series: England v New Zealand from Perth.
6.50 Sight and Sound in Concert: Toio Lizzy with Phil Lyoott (simultaneously broadcast oo Radio 1).
7.30 News and Sport.
7.50 Saturday Briefing.
8.25 Willoughby.
8.50 The New York Philharmonic Orchestra perform Beethoveo aod Mussorgsky.
10.05 Maestro: Pat Koechlin-Smythe, Showjumper.
10.30 The Bergman File. Jorn Donner talks to the Swedish film director Ingmar Bergman.
11.25 News on 2.
11.30-12.15 am Face to Face (The last of four programmes starring Liv Ullmann).

LONDON

6.00-9.15 am TV-am Breakfast Television presented by Michael Parkinson. 9.30 am Sesame Street. 10.30 The Saturday Show presented by Isla St Clair.
12.15 pm World of Sport: 12.20 World Cup Ski-ing from St Anton, Austria and from Sarajevo, Yugoslavia plus American Football — The Super Bowl: 12.45 On the Ball: 1.15 News: 1.20 The ITV Seven from Sandown and Stratford (introduced by John Oaksey and Derek Thompson): 3.10 pm Boxing —Commonwealth Flyweight Championship, plus Indoor Athletics from California and The Toronto Star Maple Leaf Games from Toronto: 3.45 Half-time Soccer news and reports; 4.00 Wrestling; 4.45 Results.
5.05 News.
5.15 Luna.
5.45 Chips.
6.40 Punchlines.
7.10 3-2-1.
8.10 Murder, Mystery, Suspense.
10.00 News.
10.15 The Big Match.
11.15 Saturday Stayback.
12.00 London News Headlines followed by Night Life presents Ian Hunter
1.00 am Close: Sit Up and Listen with Brian Blessed.

CHANNEL 4

1.35 pm Tom Keating on Painters.
†2.05 The Gathering Storm presents "The Searching Wind."
4.00 This made News.
4.35 Password.
5.05 Brookside.
6.00 7 Days.
6.30 News Headlines followed by Preview 4.
6.45 Zero Zero.
7.30 The Other Side of the Tracks.
8.30 Hollywood, narrated by James Mason
9.30 The Lady is a Tramp.
10.00 Upstairs, Downstairs.
11.00 A week in politics Should the Upper House be abolished? Or should its members be elected?
†12.00 Death in the City presents "Detective Story," starring Kirk Douglas.

S4C (WALES)

1.30 pm Shakespeare Lives. 1.55 Common Interests: Which Way Africa? 2.20 Rygbi Phyngwladol. 4.15 The Tube. 5.00 Yr Awr Fawr. 6.00 Upstairs Downstairs. 7.00 Twyllo'r Teulu. 7.30 Newyddion. 7.45 Minafon. 8.30 Cyngerdd. 9.20 Y Maes Chwarae. 10.10 The Irish R.M. †11.10 "The Rains Came," starring Myrna Loy and Tyrone Power.

All IBA Regions as London except at the following times:

ANGLIA

8.35 am Welcome Back Kotter. 10.05 Star Fleet. 10.15 pm Match of the Week. 12.00 Portrait of a Legend. Stevie Wonder. 12.30 am At the End of the Day.

CHANNEL

5.15 pm Puffin's Pla(i)ce. 6.20 Happy Days. 8.45 Falcon Crest. 12.00 The Amazing Years of Cinema.

GRANADA

9.30 am Cartoon. 9.40 Secret Valley. 10.05 Star Fleet. 10.15 pm Match Time featuring a top game in the area plus highlights from two other matches. 11.15 Munich Remembers: To mark the 25th anniversary of that fateful plane crash, Granada pays tribute to the legendary Busby Babes and those who perished alongside them. 11.50 The Saturday Stayback. 12.35 am Naro Wolfe.

HTV

8.35 am Ask Oscar! 10.05 Star Fleet. 12.13 pm HTV News. 5.13 HTV News. 12.00 Barney Miller.

SCOTTISH

9.35 am Wattoo Wattoo. 9.40 The Smurfs. 10.05 Star Fleet. 10.15 pm Scotsport. Arthur Montford introduces football north and south of the border and Iain Anderson reports on the highlights of the Scotland v France rugby international. 12.00 Late Call. 12.05 am The Two of Us.

TSW

8.25 am Look and See. 9.30 The Saturday Show. 10.30 Gus Honeybun's Magic Birthdays. 10.33 Star Fleet. 10.55 The Fugitive. 11.45 Survival. 12.12 pm TSW Regional News. 5.15 Newsport. 5.20 Happy Days. 5.45 Falcon Crest. 12.00 The Amazing Years of Cinema. 12.30 am Postscript.

TVS

9.35 am Secret Valley. 10.05 Star Fleet. 12.12 pm TVS Weather. 5.45 Saturday News and Sport. 10.15 The Saturday Match. 12.00 Making A Living. 12.30 am Company.

YORKSHIRE

9.30 am Gardening Time. 9.55 Wattoo Wattoo. 10.05 Star Fleet. 10.15 pm Match Time. Action from three of the day's games, with Elton Welsby, Denis Law and Martin Tyler. 11.15 Munich Remembered. It is 25 years since the fateful air disaster in which eight of Manchester United's best young players were killed. This film is a tribute. 11.50 Saturday Stayback.

RADIO 1

(S) Stereo (when broadcast on VHF)

8.00 am The Saturday Show. 10.00 Mike Smith. 1.00 pm Adrian Juste (S). 2.00 A King in New York (S). 2.05 Paul Gambaccini (S). 4.00 Walters' Weekly (S). 5.00 Rock On (S). 6.50 Sight and Sound in Concert (S). (A simultaneous broadcast with BBC 2). 7.30 Janice Long. 10.00-12.00 Gary Davies.

RADIO 2

8.5 am David Jacobs (S). 10.00 Mark Wynter with Star Choice (S). 11.00 Album Time (S). 1.00 pm Drop Me Here, Darling. 1.30 Sport On 2: CRICKET: England's final one-day international in Perth against New Zealand; RUGBY UNION: 2.00 France v Scotland from the Parc des Princes, Paris; 2.30 Wales v England from the National Stadium Cardiff; FOOTBALL: Half-time scores at 3.55; commentary at 4.00; 5.00 Football Results. 5.45 Racing Results. 5.50 Final Pools Check. 7.00 Beat the Record with Keith Fordyce. 7.30 Big Band Special (S). 8.00 A Night in Vienna from The Orchard, Dartford (S) including 8.55-9.15 interval. 10.00 Hilversum Gracis Radio 2 (S). 11.02 Sports Desk. 11.10 Pete Murray's Late Show (S). 2.00-5.00 am You and the Night and the Music (S).

RADIO 3

8.00 am News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.15 Tchaikovsky and Schmidt (S). 1.00 pm News. 1.05 Lost and Found (S). 1.45 Mozart (S). 2.00 Decade: the 1300s (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Beethoven piano music (S). 7.00 "The Queen of Spades," opera in three acts by Tchaikovsky, direct from the Coliseum, London (sung in English), Act 1 (S). 8.00 Expensive Lessons by Anton Chekov. 8.15 "The Queen of Spades." Act 2 (S). 9.10 Not Hereafter (poetry readings). 9.25 "The Queen of Spades." Act 3 (S). 10.10 A Philosopher in America with Anthony Kenny. 10.30 National Youth Jazz Orchestra with Shorty Rogers (S). 11.15-11.18 News.

RADIO 4

7.00 am News. 7.15 On Your Farm. 7.45 In Perspective. 7.50 It's a Bargain. 7.55 Weather, travel, programme news. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.45 Yesterday in Parliament. 8.57 Weather, travel. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News. 12.02 pm Money Box. 12.27 Alastair Cooke (S). The Instruments of Jazz (6) The Oddities. 12.55 Weather, programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Thirty-Minute Theatre (S). 2.35 Medicine Now. 3.05 Wildlife. 3.30 Scenes from Village Life. 4.00 News. 4.02 International Assignment. 4.30 Does He Take Sugar? 5.00 Asian Links. 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather, travel, programme news. 6.00 News. 6.25 Desert Island Discs (S). 7.20 Stop the Week with Robert Robinson (S). 8.00 Richard Baker (S). 8.30 Saturday-Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 Everything in the Garden (S). 11.00 Lighten our Darkness (S). 11.12 Stop the Week with Robert Robinson (S). 12.00 News.

BBC RADIO LONDON

7.32 am Good Fishing. 8.04 London Today. 8.25 Round-up of the day's sport. 8.33 The Magic Carpet Company. 9.03 Openings. 9.30 Corridors of Power. 10.02 All That Jazz. 11.30 Robbie Vincent's Saturday Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 5.30 Evening Star. 6.30 Radio Reports. 7.00 The Way It Was. 7.30 Close Encounters. 8.00 Aretha Franklin in Concert. 9.00 British Reggae Awards. 1.00-3.00 am Join Radio 2.

LONDON BROADCASTING

7.00 am AM with Jenny Lacey and Magnus Carter. 10.00 Jellybone with Clive Bull. 12.00 LBC Reports with Des Fahy. 1.00 pm Sportswatch with Dominic Allan. 5.00 LBC Reports with Des Fahy. 7.00 Greg Mala. 8.00 The London Interview with Bob Holness talking to Baron Philippe de Rothschild. 9.00 Hayes on Saturday. 10.00 Nightline with Phillip Hodson. 1.00 am Night Extra. 4.00 Travel '83. 4.30 Decision Makers. 5.00 Morning Music.

CAPITAL RADIO

7 am Breakfast Show—Peter Young. 10.00 Pick of the Pops Take Two with Alan Freeman. 12.00 Mike Allen's Music Centre. 2.00 pm Duncan Johnson's Afternoon Delight. 3.00 Juke Box Saturday Night. 8.00 Richard Dicance and Folk Friends. 10.00 Roots Rockers with David Rodigan. 12.00 Midnight Special.

CHESS SOLUTIONS

Solution to Position No. 460.

1 R-Q3! R-K2? 2 N-B5 ch! Resigns. If PxN: 3 R-KN3, or if K-B1: 3 NxB, KxN: 4 QxQP ch and 5 QxR ch. Black should have tried 1 P-R5 though 2 R-B3! followed by N-B1-K3 favours White.

Solution to Problem No. 460

1 B-R3, K-N3; 2 N-N4, KxR; 3 N-Q5 mate. If 1. K-Q3; 2 N-Q4, K-K2; 3 R-B8. If 1...K-B1; 2 N-K7 ch! and 3 R-B8.

THEATRES

ADELPHI. 836 7611. CC 930 9232. Evgs 7.30. Mats Thur & Sat 2.30. ANNIE. The spectacular stage musical. London season must end Feb 12.

ADELPHI. S CC 836 7611. MARILYN! The Musical. Prevs from Mar. 3. Opens Mar. 17. Group sales 379 6061. Evgs 8.0. Mats Wed & Sat 3 pm. Credit card Hotline 930 0232.

ALBERY. S 836 3878. CC 930 9232. 379 6565. Grp bkgs 839 3092-836 3962. Evgs 7.30. Thur & Sat mat 3.0. OLIVER COTTON, ELIZABETH QUINN. CHILDREN OF A LESSER GOD. 2nd Sensational year. Dinner San Martino-Stalls £11.90.

ALDWYCH. S CC 01-836 6404/01-379 6233. Grp sales 01-379 6061. Evgs 7.45. Wed mat 3 pm. Sat 5 & 8.30. MAUREEN LIPMAN, CLIVE SWIFT. MESSIAH by Martin Sherman. Directed by Ronald Eyre. CC Hotline 01-930 9232.

AMBASSADORS. S CC 836 1171. Grp sales 379 6061. Evgs 8.0. Tues mat 3.0 & Sat mat 5.0. Now in its 2nd great year. 84 CHARING CROSS ROAD. Doreen Mantle. Ronnie Stevens.

APOLLO VICTORIA. 01-834 6177. LAST 2 PERFS TODAY AT 2.30 & 7.30. RICHARD HARRIS LERNER & LOEWE'S CAMELOT. RICHARD HARRIS. CREDIT CARDS 01-828 8665 (Keith Prowse no fees). OAP'S & CHILDREN ½ Price Mat Today. Opening March 5th—Limited Season. WAYNE SLEEP with his record breaking show—DASH—Tel Bkgs 01-828 8665 & 01-834 0283.

ARTS THEATRE. 01-836 2132. STEVEN BERKOFF'S DECADENCE. Mon-Fri 8.30. Sat 6 & 9 from Feb 15 Tues-Sat only.

ASTORIA. Charing X Rd. 01-437 6565. CC 930 8233. Grp sales 379 6061. The Darts, The McGee Brothers in YAKETY YAK! Mon-Thur 8.00. Fri & Sat 6.0 & 9.0.

BARBICAN. 01-628 8795. CC 01-638 8891 (Mon-Sat 10 am-8 pm). Info 628 2295. ROYAL SHAKESPEARE COMPANY BARBICAN THEATRE few seats avail today 2.00 & 7.30 ALL'S WELL THAT ENDS WELL. Ends 26 Feb. Day seats £3 from 10 am. THE PIT—THE TWIN RIVALS by Farquhar seats avail matinee 9 Feb.

BARBICAN HALL, Barbican Centre EC2. CC 01-638 8891. Res 01-628 8795. Ton't 7.30 pm. Gala Night of Gilbert and Sullivan. The London Savoyards New Concert Orchestra, London Savoyards Chorus, Peter Murray conductor. Cope soprano Knight mezzo-soprano. Pugh tenor. Wakeham baritone. Pratt bass-baritone. Songs, choruses and complete scenes in costume from The Mikado, The Gondoliers, The Pirates of Penzance, Iolanthe, Patience, The Sorcerer, The Yeomen of the Guard, Utopia Ltd. Tomor at 6.00 pm. RPO. Alan Francis conductor (please note change of time).

CAMBRIDGE THEATRE. 836 6056/1488/7040. Grp sales 379 6061. PETER O'TOOLE JACKIE SMITH-WOOD JAMES GROUT, JOYCE CAREY, ROBERT BEATTY and TONY SELBY in MAN & SUPERMAN. Directed by Patrick Garland. For 3 weeks only. 5 perfs per week. Tues to Sat evgs 7.30. No Monday perfs or mats.

COLISEUM. S 836 3161. CC 240 5258. ENGLISH NATIONAL OPERA. Ton't Tues, Fri 7.00 THE QUEEN OF SPADES. Wed 6.30 BORIS GODUNOV. Thurs 7.30 ROMEO & JULIET. Some seats avail at door each day.

COMEDY THEATRE. S 930 2578. CC bkgs 839 1438. Grp sales 379 6061. Mon-Fri 8.0. Eats 8.15. Mats Thur 3. Sat 5.15. Prices £3-£8 (not suitable for children) STEAMING by Nell Dunn. COMEDY OF THE YEAR Swet Awards 1981. NOW IN ITS SECOND YEAR. Pre-show supper at Cafe Royal plus stall seats only £9.90. Mon to Thur. Over 500 performances.

CRITERION. S 930 3216. CC 379 6565. Grps 836 3962. Mon to Thur 7.30. Fri & Sat 6.0 & 8.45. CAN'T PAY? WON'T PAY! A farce by Dario Fo. THE LONGEST RUNNING FARCE IN THE WEST END. Pre-show dinner at Cafe Royal plus best seats only £9.90. Students' standby £3.50.

DONMAR WAREHOUSE. Earlham St. Covent Gdn. CC 01-379 6565. ACTORS TOURING COMPANY until today 4.00 & 8 pm QUIXOTE. From Mon 7.30 in repertoire with TEMPEST. PROVOKED WIFE & BERLIN BERLIN.

DRURY LANE Theatre Royal. CC 01-836 8108. Grp 379 6061. OLIVER TOBIAS, RONALD FRASER, ANNIE ROSS in THE PIRATES OF PENZANCE. Evgs 7.30. Mats Wed & Sat 3.00. Credit card Hotline 930 9232.

DUKE OF YORK'S. 836 5122. S CC 836 9837. WARREN MITCHELL in DUCKING OUT. Evgs 8.0. Mats Wed 3.0 (½ price). Sat 5.0. Limited no. of £3 tkts avail on day.

GARRICK. S CC 01-836 4601. Evgs 8. Wed mat 3.0. Sat 6.0 & 8.0. 12th HYSTERICAL YEAR LONGEST RUNNING COMEDY IN THE WORLD. NO SEX PLEASE—WE'RE BRITISH. 2 HOURS OF NON-STOP LAUGHTER. Directed by Allan Davis. Group sales Box Office 01-379 6061. Credit cards Hotline 01-930 9232. OVER 4,730 PERFS. OF LONDON'S LONGEST-RUNNING FARCE.

GLOBE THEATRE. 01-437 1592. CC Hotline 930 9232. Grp sales 379 6061. Evgs Mon-Fri 8 0. Weds mat 3.0. Sat 5.0 & 8.20. MARIA AITKEN, IAN OGILVY, GARY BOND in Noel Coward's DESIGN FOR LIVING with ROLAND CURRAM. Directed by Alan Strachan. Wed mats all tickets half-price. FINAL DAY.

GREENWICH. 01-858 7755. Evenings 7.45. Mats Sat 2.30. YOU SHOULD SEE US NOW by Peter Tinniswood.

HAYMARKET THEATRE ROYAL. 930 9832. Grp sales 01-379 6061. DONALD SINDEN, BERYL REID, MICHAEL DENISON, DULCIE GRAY, JUDY BUXTON, SEBASTIAN SHAW and BILL FRASER in THE SCHOOL FOR SCANDAL. Directed by John Barton. Evgs 7.30. Mat Wed 2.30. Sats 3.30.

HER MAJESTY'S THEATRE. 930 6606-7. CC 930 4025-6. Opens May 26 red price prevs. May 16 BUGSY MALONE on stage. Advanced Box Office open. Group sales 01-379 6061.

KING'S HEAD. 226 1916. Dnr 6.45. Show 7.45. MR CINDERS. A musical comedy with music by Vivian Ellis.

LONDON PALLADIUM. 01-437 7373. MICHAEL CRAWFORD in BARNUM. Last Perfs Today 2.45 & 7.30.

LYRIC HAMMERSMITH. S CC 01-741 01-200 0200. Evgs 7.30. Sat 4.30 & 8.15. Opens Wed at 7.0. Griff Rhys Jones in CHARLEY'S AUNT. LYRIC STUDIO: Evgs 8 pm sharp. MISS JULIE SOLO OUT.

MAYFAIR. S CC 629 3036. Mon-Thur 8.00. Fri and Sat 6.00 and 8.30. Richard Todd, Eric Lander, Brigid O'Hara in THE BUSINESS OF MURDER. SECOND GREAT YEAR.

MERMAID THEATRE. Blackfriars Tube by the river. Box Office 01-236 5568. Credit card bookings 01-236 5324. Grp sales 379 6061. Mon-Thur 8.00. Fri & Sat 5.45 & 9.10. Nominated for COMEDY OF THE YEAR SWET Awards 1982. TRAFFORD TANZI by Claire Luckham. RIVERSIDE RESTAURANT open for lunch and dinner 01-236 0495 (day time). 236 5521 (from 6 pm).

NATIONAL THEATRE. S. 928 2252. OLIVIER (open stage) Today 2.00 & 7.15. Mon 7.15 GUYS AND DOLLS. LYTTELTON (proscenium stage) Today 3.00 & 7.45. Mon 7.45 A MAP OF THE WORLD by David Hare. COTTESLOE (small auditorium—low price tkts) Today 2.30 & 7.30. OTHER PLACES by Harold Pinter. Excellent cheap seats day of perf all 3 theatres. Also standby from 10 am on day of perf. Car park. Restaurant 928 2033. Credit card bkgs 928 5933.

NEW LONDON. Drury Lane. WC2. CC 01-405 0072 or 404 4079. Evgs 7.45. Tues & Sat 3.00 & 7.45. THE ANDREW LLOYD-WEBBER/T. S. ELIOT AWARD-WINNING MUSICAL CATS. Group bookings 01-405 1567 or 379 6061. Apply daily to Box Office for returns. Latecomers not admitted while auditorium is in motion—please be prompt. Bars open 6.45 pm. NOW BOOKING UNTIL JULY 1983.

PALACE. 437 6834. CC 437 8327. SONG AND DANCE. Last 4 weeks to see MARTI WEBB. From Feb 28 the welcome return of GEMMA CRAVEN. For 12 weeks only. Also starring STEPHEN JEFFERIES. NOW BOOKING THROUGH 1983. Evgs 8.0. Fri, Sat 5.45 & 8.30. Some good seats still available most performances. Group sales 437 6834 or 379 6061.

PRINCE EDWARD. Tim Rice and Andrew Lloyd-Webber's EVITA. Directed by Hal Prince. Evgs 8.0. Low price mats Thur & Sat 3.0. Evgs perf ends 10.15. Box Office 437 6877. CC Hotline 439 8499. Group sales 379 6061 or Box Office.

PRINCE OF WALES THEATRE. 930 8681. CC Hotline 930 0844. Group sales 379 6061 or booking on entry. ROY HUDD, CHRISTOPHER TIMOTHY in UNDERNEATH THE ARCHES. The smash hit family musical. ROY HUDD, ACTOR OF THE YEAR IN A MUSICAL. NOMINATED FOR MUSICAL OF THE YEAR, SWET AWARDS. Mon-Thur 7.30. Fri & Sat 5.16 & 8.30.

QUEEN'S. S CC 01-734 1166 439 3849. 4031. Credit cards 01-930 9232. Group sales 01-379 6061. Evgs 8.00. Mat Wed 3.00. Sats 5.15 & 8.30. PLAY OF THE YEAR 1982 Society of West End Theatre Awards. ANOTHER COUNTRY by Julian Mitchell.

QUEEN ELIZABETH HALL. 928 3191. CC 928 8800. Tomorrow 3 pm some tkts avail. ALEC McCOWAN. ST. MARK'S GOSPEL. Next perf March 6.

RAYMOND REVUEBAR. CC 01-734 1593. Mon-Sat nightly 7 pm, 9 pm, 11 pm. PAUL RAYMOND presents THE FESTIVAL OF EROTICA. 25th sensational year.

ROUND HOUSE. 01-267 2564. The NSC in association with Lloyds Bank present their SHAKESPEARE TRAGEDY WORKSHOPS. 1 to 12 Mar. 11.30 am to 3.15 pm with lunch-break. All seats £2.50.

ROYAL COURT. S CC 730 1745. TOP GIRLS by Caryl Churchill. Prev Ton't. Mon 8.0. Opens Tues 7.0. Sub Evgs 8.0.

ROYAL OPERA HOUSE. Covent Garden 240 1066/1911. Access/Visa. S. 10 am-8 pm (Mon-Sat). 65 amphiseats avail for all perfs (Mon-Sat) from 10 am on the day. THE ROYAL BALLET Today at 3.00 & 7.30. Fri at 7.30. Illuminations/Rhapsody/Voices of Spring. Wedding Bouquet. Tues at 7.30. The Sleeping Beauty. Thurs at 7.30. La Bayadere/Prodigal Son/Le Fin de Jour. ROYAL OPERA. Wed at 7.30. Last perf of Samson et Dalila. THE EDWARD BOYLE MEMORIAL TRUST CONCERT. Tomor at 8.00 pm. Tkts avail 1 hr before curtain up. ROYAL OPERA HOUSE RETROSPECTIVE EXHIBITION at the Royal Academy of Arts, Burlington House. Open 10-6. Admission £1.50 (students and grps £1.00). Final week—must end Tomorrow.

SADLER'S WELLS THEATRE. EC1. 01-278 8916 (5 lines). Grp Sales 01-379 6061. CC. Ton't only at 7.30 COLOGNE OPERA. Il matrimonio segreto. NEW SADLER'S WELLS OPERA Company. Evgs 7.30. Feb. 22. Mat 2.30. Mon Wed & Fri The Mikado Tues, Thurs & Sat Count of Luxembourg. THE WELLS STAGECOACH. Before & after show Bus Service. Phone Box Office for details. [illegible]

COLLECTING

Quilt and patch

BY JUNE FIELD

"WHEN I'M DEAD and gone there ain't nobody goin' to think o' the floors I've swept, and the tables I've scrubbed . . . wrote an American woman in 1902. "But when one of my grand-children or great-grand-children sees one o' these quilts, they'll think about Aunt Jane, and wherever I am, I'll know I ain't forgotten."

Making quilts and patchwork was one way women of the past could express themselves. Yet to make a living by quilting was not easy. At the end of the 19th century a north country quilter was recorded as earning 7s 6d to 10s a week selling her work, while an agricultural labourer in the same area could bring in 15s to £1 and probably be living rent-free in a tied cottage. Yet a widow might have to bring up a whole family on the proceeds of her quilting.

It is probably appropriate here to define patchwork (called "piecing" in America), which is the sewing together of small pieces of assorted fabrics to construct a continuous cloth, and to quilt, which in the earliest work seems to have consisted of two outer layers of material between which was placed a soft padding. The three layers were then sewn together to keep all in place. (The word quilt is derived from the Latin *culcita*, a stuffed sack, mattress or cushion.) Appliqué is when shapes or motifs are cut out and then hemmed or blanket-stitched on to a plain fabric.

Miner's widow Mrs Sally Ransom of New Seaham, Co Durham raised a family of four by making quilts, and one of her efforts, made around 1890, can be seen in the dazzling display *Quilting Patchwork and Appliqué 1700-1982 — Sewing as a Woman's Art*, which also includes some distinguished contemporary work. A Minories touring exhibition, it finishes today at the Aberystwyth Arts Centre, and opens on Wednesday, February 16 until April 3 at the Crafts Council Gallery, 12, Waterloo Place, Lower Regent Street, London, SW1.

The latest show differs from other presentations of textile art in that it has been specifically assembled to relate the work to the circumstances in which it was made. Its aim is to reveal that behind the development and use of art forms, there lies a social world, and that the art produced at any given time reflects that world.

Organiser June Freeman believes that the best examples of quilting deserve the same kind of attention as that lavished on the achievements of William Morris and Charles Rennie Mackintosh. "The anonymity of so much quilting means that it is impossible to bring together one woman's work and trace the development of individual skills and interests, as one might Morris's."

Much of the work was done under considerable artistic restraint. A drawing teacher in 1877 wrote to reassure her pupil's parents: "It is needful that I calm your apprehensions, your fear that your daughters will become real artists only by drawing nude figures from nature. She must confine herself to those subjects which are allied to her sphere . . . children, animals, fruits, flowers etc. . . ."

A bride was expected to have a baker's dozen, 13, of quilts for her wedding chest, and an old Devon rhyme goes:

At your quilting maids, don't delay,
Quilt quickly if you would marry,
A maid who is quiltless at 21
Never shall greet her bridal sun!

In the exhibition there is a marriage quilt of Mary Williams (1869-1929) from Pontypridd, as well as some 18th and 19th century quilted clothing —an underskirt worn by a Mrs Hasted who lived in Suffolk in the 1770s, a child's cap and a man's waistcoat, and a somewhat bizarre dressing-gown of "crazy" patchwork (haphazard arrangement of various pieces of brightly coloured fabric sewn together crazy-paving fashion), made in 1886 by the women residents of the Craiglands Hydro, Ilkley for the proprietor.

The British Legion women's section quilting class, 1945, one of the exhibits in the "Quilting Patchwork and Appliqué."

Some of the quilts have been lent by American Joen Zinni-Lask, pioneer collector and dealer in patchwork old and new (we first met in the early 1970s when she used to run the American Folk Gallery in London). She has quilts for sale from £90 to £400 at "21 Antiques 21" her shop at 21, Chalk Farm Road, NW1, from where she will send a leaflet on patchwork courses. They cover early history, design, and practical techniques. Today there is a class on seminole patchwork, a unique form of "strip" work created by the American Indians.

Joen is also president of The Quilters' Guild, formed in 1979, where membership is open to anyone who either works in patchwork, appliqué or quilting, or has a special interest in quilts. Subscription from May to April is £7.50, or £3.75 if joining now; send stamped addressed envelope to Margaret Petit, Clarendon, 56, Wilcot Road, Pewsey, Wiltshire.

A specialist dealer in patchwork is Jane Kasmin, who started to collect about eight years ago, and with Paul Taylor and Ron Simpson organised various patchwork exhibitions for the Arts Council up until 1980. She now deals from her home, 20 Ifield Road, London, SW10 (01-352 0746), by appointment only, and usually has about 30 to 50 19th century English and American quilts in stock at prices from about £150. She specialises in the more geometric designs that are suitable for either bed covers or wall hangings.

Her advice to collectors is only to buy work in good condition: "A worn-out cover rapidly deteriorates once the fabric becomes 'distressed'."

A tip for distinguishing between English and American quilts is that the latter tend to have bound edges, while their English counterparts usually have turned in ones. A clue to dating early English quilts and patchwork is that the original template papers cut from old newspapers, bills and letters, which lined the patches, are sometimes still in the work.

Business begins to look up

COINS

JAMES MACKAY

THE YEAR just ended was not as bad as the coin market had feared and, after a fairly sharp drop in prices in mid-1982 there were signs of a revival in the sales held between September and January. The English salerooms, having adjusted their estimates to a more realistic level, were rewarded when the percentage of unsold lots fell to an insignificant and barely measurable point. There has been, of late, a greater preponderance of private bidders and all the salerooms report an upsurge in postal bidding, which reflects a greater confidence in collecting circles. It should not be overlooked either that the handling of coins and medals, and related numismatic collectables, through the medium of auctions has doubled in Britain in the past 15 years alone, and a similar increase has been recorded in North America and western Europe.

Latest to enter this field is The Numismatic Auction Ltd of 210 Fifth Avenue, New York which combined with Trad'Art of Brussels to hold their first sale in New York on December 13. Coinciding with the New York Coin Convention, this TNA sale got off to a good start, with 82 per cent of the lots sold and a total realisation about a third higher than the pre-sale estimate. Analysing the 18 per cent of unsold material it should be noted that these items accounted for only 12 per cent of the pre-scale total and secondly, the quality of this material was only average when compared with the sale as a whole. Furthermore, some of the presale estimates for the unsold material seem, in hindsight, to have been on the high side.

This reinforces my view that the market, at present, is delicately balanced and in the continuing world-wide economic situation buyers can afford to be ultra-critical and very choosy, restricting their purchases to material of the highest quality.

This sale was entirely devoted to ancient coinage, an area which has been somewhat erratic and unpredictable of late, but where the combination of wealth and good taste usually wins through. One of the highlights of the sale was a Sicilian tetradrachm dating from 400 BC and clearly the work of a star pupil of the celebrated Euainetos himself. This beautiful coin had a presale estimate of $15,000-$17,000 but was eventually knocked down for $28,000 to one of the leading Swiss banks.

The Roman imperial denarii were particularly well represented. A denarius of Augustus struck at Pergamon in 27 BC fetched $8,800 (estimate $4,800), while denarii portraying Titus and Aelius made $3,200 and $4,600 respectively, against presale estimates of $1,500 and $2,400.

A magnificent denarious of Gordianus went for a record $4,500 (estimate $2,800).

More discerning interest in ancient coinage was also evident at Spink's sale late in November, realising a grand total of £331,336. The top price in this sale was £4,800 for an extremely fine sestertius of the notorious Emperor Caligula. The reverse of this splendid coin portrayed Caligula's three sisters personified as Securitas, Concordia and Fortuna. A superb stater of Lysimachus, King of Thrace, went for £4,100; the vendor had purchased it from Spink in 1946 for £37 and even allowing for inflation this proved to have been a good investment.

Prices for ancient British coins are improving steadily, though still well below the level atained in the mid-1970s when this long-neglected area suddenly came into fashion and then attracted the unwelcome attention of the "investors." Recently the auctioneers have been slashing their estimates, in some cases to a third or a quarter of the Seaby catalogue quotations. That this action has been too drastic is shown by the fact that the staters of the Celtic tribes, in fine condition, have been generally selling well above the estimate.

Perhaps collectors feel on safer ground the nearer they get to the present day. Certainly prices for English coinage from the 16th century onwards have been better in the last three months and here and there it is even possible to pick out instances of coins which confounded presale predictions and were sold for sums that are even in excess of their Seaby listing.

Christie's, Glendining's and Sotheby's have all held sales recently of a general nature. If they perhaps lacked the star performers which tend to get media coverage, the overall quality has been excellent and the results very satisfactory, sustaining the mood of cautious optimism expressed by the organisers of the London Coin Fair which takes place today at the Cumberland Hotel, Marble Arch, W1. Over 50 dealers are expected to take stands, covering every aspect of coin, token, medal and banknote collecting, so there should be something of interest for everyone, at every price level. London is also to get a regular monthly coin fair, at the Cafe Royal on the third Sunday of each month, beginning on February 27. A novel feature of this fair will be an activity corner for junior collectors, with games and competitions.

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SPORT

Five certainties, Gower, Botham, Lamb, Hemmings and Randall.

The famous five

IT CAME as no surprise that Australia, even though they were heavily thrashed by Pakistan earlier in the year regained the Ashes. Most Test matches are won by bowlers and England's attack was neither as good, nor as fast as that of the Australians. Our big disappointment was the number of players who failed to do themselves justice on tour.

How many of the present party would be certainties for an identical trip next winter? It is difficult to think of more than five — Gower, who really has come of age, Lamb, who would have been playing international cricket for some time if he had not been a South African. Hemmings who was the best of our three offspinners and also exhibited more determination with the bat than some of his colleagues, the talented if unpredictable Randall and the irreplaceable Botham.

Although by his own, almost impossibly high standards, Ian Botham did not have a good tour, he remains one of our few Test class cricketers. True, his bowling has lost much of its penetration, so that Imran Khan must now rate above him in the world all-rounder stakes. And there were times when one felt he was trying too hard to recreate the magic of those two innings at Headingly and Old Trafford, because he desperately wanted to show the hostile Australian crowd what he was capable of with the bat.

Trevor Bailey reports on what happened to England

Nevertheless, he demonstrated his immense value to the side by taking more catches than Bob Taylor, who was his usual highly-efficient self behind the stumps, though less likely to score many runs against real pace.

It is difficult captaining a team overseas which is short of class, experience and seldom plays to its potential, but Bob Willis must accept much of the blame for some of the many cricketing mistakes and miscalculations. He lacked the inspiration needed to lift his players out of the mediocrity which typifies so much of English county cricket, while he seemed to become more withdrawn, so there were occasions when a casual observer would have had problems picking out the skipper.

In the glut of one-day fixtures between Australia, England and New Zealand, 30 preliminary matches are required to decide who qualifies for a three-match final. If the competition had been based on a logical two, or three games England would have been eliminated.

Instead, the form, or lack of form, displayed by all the contestants finds England favourites to take the title, in spite of their first two failures against Australia and losing to New Zealand after making 296 runs in 50 overs.

So far New Zealand with the weakest team on paper and the most astute captain have been the most successful side, while Australia, who have gone to pieces and never seem to do well under Hughes, are in danger of failing to reach the final, a financial disaster for television, the commercial sponsors and the Australian board of control which was responsible for this surfeit of limited-overs cricket.

Peter Robbins on today's Rugby internationals

Wales to start with a win

CURIOUSLY enough England's defeat by France has produced a more comfortable prelude to their match against Wales at Cardiff today. No one looks to be favourite, especially at the National Stadium, and with the absence of Colclough, Wheeler and Woodward, England justifiably have little cause for over-confidence.

Against the French there were both physical and tactical deficiencies. But today could be different. The Welsh nation has had its usual protective wail about the selection of its own side.

England were comprehensively outplayed at prop by France and significantly Wales have recalled Williams of Swansea for his excellent scrum technique. With the master, Price, on the other side, Pearce and Stuart face yet another difficult afternoon. If England lose the forward battle and the match, then certainly the England selectors will be forced to make changes for the Calcutta Cup against Scotland on March 5.

They could well improve their scrum by picking Wilkes, the Coventry prop who, week in, week out, takes on quality opposition in an impressive Coventry pack. Redfearn of Leicester is a possibility and he is bulky and mobile enough but what must be grasped by players and selectors alike is that failure today will mean a revamping of the team with an eye to the future.

It is not only the front row under scrutiny but also possibly the half-backs and centres. Smith is a wily and inspiring captain, and he probably owes his place to those two aspects but nevertheless the primary role of the scrum-half is to get the ball away quickly.

It is here that young Melville from Yorkshire has a clear advantage over Smith. Melville's performance behind a beaten pack in the county championship final with Gloucestershire at Bristol last week was exemplary.

Cusworth faces his biggest test today but perhaps it is Dodge who will be under the closest examination. Against France he and Cusworth seemed to be doing things by numbers and it is a long while since we saw Dodge really taking on his opposite number. He badly needs the cutting edge of Woodward to produce his best form.

Should any possession (which will be desperately hard won) be wasted at half-back then one could easily foresee the re-establishment of Huw Davies at fly-half and a first cap for Melville against Scotland.

Because the front five were so soundly beaten by the French the back row looked and was disjointed. Pickering, the new Welsh flanker, is quick and will give Winterbottom a tough challenge.

There is much relief in the England camp at the exclusion of Gareth Davies from the fly-half position. His forte is his kicking and sides playing against him tend to spend long periods pinned in their own half.

The reason behind Dacey's choice must be that Wales intend to use their backs more quickly. Certainly Dacey was very impressive against the Maoris and John Bevan, Wales's new coach, is anxious to use his backs, but with discipline.

A look at the video of last season's Wales-Scotland match shows how four of Scotland's five tries came directly from sloppy back play. Dacey, it is thought, will add that discipline and of course he has Terry Holmes, that prodigious scrum-half and ninth forward, to protect him from the England back row.

The choice of Mark Ring to replace Ackermann is yet another indication of Wales's attacking intent and the selectors realisation that something has to be done about their back play. Ring has a good junior record and his inclusion instead of the recall of Gravell is exciting and laudable.

Gravell, now without pressure of internationals and international selection, is playing magnificently but when he puts on the Welsh jersey his whole temperament changes. I think the Welsh selectors, even if he had been available, feared a reversion in type which has destroyed so much Welsh wing play in the past.

This Welsh side is sound without being outstanding and it has two quick wings and a thinking captain in Butler. The only area where there are misgivings is in the second row and they are only marginal.

Moriarty has the potential to become a great Lion if he can only discipline himself and a great deal therefore depends on him and even more so on Norster. They are up against a comparatively inexperienced second row.

The Welsh view of the English side is that, even with Colclough and Blakeway, it was nowhere near the side the media alleged it to be. A good team, the Welsh say they win matches even when they play badly. But even so, Wales should win.

France should best Scotland in Paris and by a handsome margin. The exclusion of Martinez and Camberabero in favour of Delage and Berbizier shows the difference between French and English selectorial attitudes. England would have retained a winning side but there is little room for sentiment with the French and one detects the firm hand of M Ferrasse, the French president, in this move.

Scotland have not won in Paris since 1969 and so it would be a tremendous upset if they did so today.

Ben Wright looks at a funny putter

After you're through laughing . . .

IN DEFIANCE of tradition there came that contradiction in terms, the metal wood.

But as the USPGA tour reached storm-battered and rain-sodden Pebble Beach, California, this week, for the Bing Crosby National Pro-Am, the fifth tour-stop in 1983, the arrival of the new Ping golf ball, which is half yellow and half orange has been completely overshadowed by the emergence of a most controversial and ridiculous looking putter.

The San Diego-based Orizaba Company's Basakwerd putters are laughable to look at. Even the company's brochure reads: "After you're through laughing, let's get serious about putting."

But because they are being used by such legendary luminaries as Johnny Miller and veteran Gene Littler, among others, they inevitably command considerable interest and so far extensive media coverage.

The putter's promoters could hardly have been more fortunate in that 52-year-old Littler, now better known as a stalwart of the Senior Professional Tour for the over 50s, tied for the lead going into the final round of the Glen Campbell Los Angeles Open three weeks ago.

And although, like fellow senior idol Arnold Palmer, who himself used a Basakwerd once in an earlier round of the tournament he faded out of contention over the closing holes, at that early stage of the season Littler was the leading putter on the tour in the statistical tables with an average of 27.17 per round.

Even better was to come. Last week the 35-year-old Miller, who lost the Phoenix Open in a four-man play-off last Sunday was seen on nationwide television using the Basakwerd on two successive days.

Previously Time Magazine had featured a story on Jim Flood, the putter's inventor, in its "People" column alongside a colour photograph of Arnold Palmer using it.

How best can one describe the Basakwerd, which comes in either blade, flange or mallet models? Basically the shaft on all three is fitted to the toe of the club rather than the heel, so that the toe is pointing inwards, rather than away, from the player. Flood originally conceived his revolutionary weapon when putting so badly that he tried reversing a conventional blade and using it backhand with some success.

Even to the non-scientific golfer it must be obvious that most of our troubles stem from either opening the conventional putter blade and pushing the putt, or closing it and pulling the ball.

The Basakwerd does not allow the player either to open or close the blade, but forces him into a square-to-square pendulum action with its 60 per cent less torque.

It moves the centre of gravity five inches closer to the body and to a position below the hands, allowing the golfer to impart more overspin and achieve a much truer role than the cut-spin impaired with the conventional blade.

Johnny Miller, U.S. Open Champion in 1973 and Open Champion at Royal Birkdale in 1976, is seventh on the money list with over $35,000 to his credit. He is not worried by short putts but rather that his long ones leave his second putts that are not short enough. He maintains that the Basakwerd has given him much more control of lengthy approach putts.

Both Littler and Miller agree that they have heard spectators laughing at their weird-looking putters, and that was certainly my own reaction on first being offered one to try in Phoenix last week.

I felt quite foolish that I did not know how to hold it correctly, and since its name is an obvious play on the American slang term "ass backwards," assumed somewhat angrily that Flood was enjoying a joke at my expense.

But after he had explained the principles on which his brainchild are based, I was first amazed, and then impressed to hole out my first three putts from 15 ft.

Reactions to Flood's new putters are quite varied among the professionals, but the majority are openly hostile, mostly on aesthetic grounds. Such reactions were similarly vehement when the Ping and Zebra putters surfaced, however, not to speak of the controversy that surrounded metal woods and coloured golf balls.

I suppose the final accolade or absurdity was delivered by Jack Nicklaus when he came out for the 1983 season at the Bob Hope Desert Classic in Palm Springs three weeks ago playing a yellow golf ball. But then he bought the McGregor company that manufactures them and put the great man's name on them.

One last note on the Basakwerd putter. Miller did not lose the Phoenix play-off because he putted badly. He chose to use a three wood from the 16th tee—the second play-off hole—while his three rivals, eventual winner Bob Gilder, runner-up Rex Caldwell, beaten in sudden death two weeks running, and Mark O'Meara, used irons for safety.

Miller snap-hooked his tee shot into the trees and was gone from the second longest play-off in history — an eight-hole marathon.

RACING

DOMINIC WIGAN

THERE SEEMS to be growing confidence behind Al Kuwait for the Schweppes and Sheik Fahad's seven-year-old is now a top-priced 8-1 for next Saturday's race. He and three hurdlers close to him in the handicap, Fredcoteri, Great Light, and King's Parade make up a quartet I expect to see providing the winner of the always intriguing Newbury handicap.

Al Kuwait, whose enthusiasm for the game has on occasion been called into question, undoubtedly put up a praiseworthy effort at Cheltenham a week ago.

Sent on at the final flight there he beat the odds-on Broadsword by a couple of lengths with his own stablemate, Dumper, trailing a long way back in their wake. Although the hustle and bustle of a big Schweppes field may not be quite up Al Kuwait's street there is no denying his claims to the utmost respect.

Fredcoteri justified an ante-post plunge when beating For Auction by a short head at Leopardstown early last month and as a strong-galloping front runner he will be in his element in a big field at Newbury. In receipt of two stones when beating the Champion Hurdle favourite in Ireland Fredcoteri is a 10-1 chance.

Great Light and King's Parade are also on offer at the same odds as they bid to notch second and third victories respectively—Great Light made a bold attempt against Ekbalco and Sula Bula at Haydock on January 22 after defeating Hasty Storm over the Schweppes course and distance; while King's Parade put in a really encouraging run after a long lay-off when fourth behind Brave Hussar at Kempton on

As things stand at the moment King's Parade strikes me as the one they may all have to beat.

Turning to today's card at Sandown where prospects again hinge on the weather Little Owl can set the Gold Cup market alight again by giving weight to Royal Judgement and four others in the Gainsborough Chase.

SANDOWN
1.30—Asmar
2.00—Mr Peacock
2.30—Little Owl**
3.00—Kilbrittain Castle*
3.30—Cima

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A change of emphasis

"THE PRINCIPLE of targetting money growth rates is not an end in itself but only a means of achieving control of nominal GNP." Thus President Reagan's Council of Economic Advisers in its accompanying report *to the President's* annual economic message to Congress this week.

Not, perhaps, the sort of prose to set the populace alight. But it nonetheless marks an important milestone in the U.S. Administration's retreat from strict monetarism; and the shift towards greater emphasis on a broad money GNP target is probably an indication of just how far Mr Martin Feldstein, the council's recently appointed chairman, has succeeded in putting his stamp on economic policy.

But how much safer is the world for such revisionism? Clearly stock markets have been cheered by the more relaxed monetary policies that both the Administration and (with some reservations) the Federal Reserve now favour. The Dow Jones index is still within striking distance of its January peak, while the FT Industrial Ordinary index reached an all-time high on Thursday, jumping 14.6 points to 646.8. In both cases equity prices were anticipating lower nominal interest rates and taking a more optimistic view of developments in the real economy.

Thriving

There is, indeed, modest cause for optimism. In the United States signs of increased activity in both the construction and automobile sectors have already emerged. For good measure yesterday's unemployment figures showed an unexpectedly large improvement.

In Britain, equities have been thriving on the prospect that profitability and cash flow in the corporate sector will be greatly enhanced by the recent sterling devaluation and the likely fall in the oil price.

Some investors also take heart from the apparent undershoot in public spending revealed in this week's White Paper, which paves the way for a seemingly "generous" budget in March—though it has to be said that the undershoot is not quite what it seems. Inadequate reliance was made last year for shortfalls in spending; and an over-generous contingency reserve has been cut back. In short, overspending has simply been less than expected.

The recovery will not, however, be more than modest unless inflationary expectations have retreated to the point where markets can contemplate the upturn without panic. And this is where doubts begin to creep in. The size of the U.S. budget deficit still worries Wall Street—and finance ministers in the rest of the world. When confronted with the recent speculative rise in commodity prices, many Wall Street investors also worry about inflation instead of welcoming the benefit it brings to the international banking system. And when the U.S. economy comes off the bottom, their response may once again be to run for cover for fear of a return to the vicious inflationary circle.

Confusing

This no doubt helps explain the very confusing signals that are emanating from the Federal Reserve. Mr Paul Volcker undoubtedly believes that some relaxation in monetary policy was necessary both for international financial and domestic economic reasons. But Wall Street imposes limits on the extent to which he can take his foot off the brake, as do other factors.

Nor is it clear that expectations of inflation have been banished in Britain. As De Zoete and Bevan argue in their latest Economic Survey, the recent upturn in consumers' expenditure has not been promoted by a material improvement in real disposable incomes, but by an increase in consumer credit and a run-down of personal savings.

The increase in personal indebtedness partly reflects the lifting of controls in hire purchase last year. But it probably also indicates that many people are far from convinced that inflation has been overwhelmingly crushed.

The same message is being spelt out in the gilt-edged market. The real return on index-linked gilts is now just under 2½ per cent, while redemption yields at the long end of the fixed interest market range up to 12 per cent. The gap between the two is a rough approximation of the market's expectation of future inflation.

Poor guide

The market is saying, among other things, that the retail price index is a poor guide to the medium-term because it has yet to reflect the impact on prices of the sterling devaluation. Even after the speculative surge in commodity prices, it is also arguable that prices will have to go higher if the banking system is to escape more serious problems with outstanding loans to the Third World.

The retreat from strict monetarism certainly adds to stability. But can we now expect a soundly based recovery? We are left with high real interest rates in deep recession; inflationary expectations remain, which will not smooth the path of the impending economic recovery. The international banking system, though not on the point of collapse, remain fragile. The present buoyancy in the markets looks uncomfortably like an act of levitation.

THE 1983 BUDGET

A way through the maze

By Max Wilkinson, Economics Correspondent

THE Government's White Paper on Tuesday, which showed that public spending was firmly under control, raised a flurry of speculations that the way had been cleared for a "generous" Budget.

The stock market caught the euphoric mood and equities soared to an all time high. However, the news that next year's (1983/84) public spending total is £2bn lower than planned in 1982 by no means indicates that even a minor tax bonanza is in prospect for March 15.

Sir Geoffrey Howe, the Chancellor, has shown every indication that he intends to continue his cautious policy with a fairly tight borrowing target.

At the same time his preparations for the Budget have become increasingly overshadowed by anxieties and uncertainty about the state of the world economy.

The annual Budget is still widely seen by the man in the street as something which regulates the price of beer and tax bands.

However, since November, developments in the wider world have threatened increasingly to encroach on the domestic arithmetic which determines whether the Chancellor can—in the language of Budget mythology—be "generous" or "mean." These include:

● Continued uncertainty, particularly in the financial markets, about whether the U.S. Budget deficit will fly into expanding orbit. The implications for high interest rates and the strength of the dollar directly affect British tax revenues as well as the general prospects of recovery. A strong dollar would preserve the sterling value of the Government's oil revenues. Any weakening would do the reverse.

● Worries about the ability of the international organisations to defuse any further threat of a major debt default in the Third World. Although no immediate crisis is looming, continuing nervousness in banking circles pushes the Chancellor more in the direction of financial prudence.

● The weakening of world oil prices. Any sharp fall from the present official price of $33.5 for North Sea crude towards the current spot price of $29 could rapidly cut the British Government's tax revenues, although it would help economic growth in the UK as in most of the rest of the world.

● Market uncertainties about the underlying strength of sterling since its 11 per cent depreciation from early November to the middle of last month. Its lower rate against the dollar has increased the value of oil revenues, although it will also raise the cost of imports in sterling terms. Although a general weakening of sterling can have the same effect on UK oil revenues as a strengthening of the dollar, the causes may be very different.

● Doubts about the strength and timing of a world economic recovery. Even a modest growth in UK output could make the Budget arithmetic look significantly easier by boosting tax revenues and curbing the growth of unemployment payments.

To help him through this unusually dense maze, the Chancellor can call upon the apparatus of the Treasury forecasting computer. Even so, much will depend on his personal "feel," the impressions left on him by his talks with other world financial leaders at the IMF meeting next week and the judgment of his chief economic adviser, Mr Terry Burns.

The effect of these wide ranging uncertainties on the Budget calculations has been greatly magnified by Britain's rapidly increased dependence on its own oil production. According to the Treasury's latest published estimate in November, Government revenues from oil production in 1983/84 were expected to be £7.5bn. Although that is only about 5 per cent of its total expected revenue, it is nearly equal to the whole of this year's public sector borrowing requirement.

A $4 drop in the North Sea oil price to $29.5 per barrel would wipe about $1bn to $1.3bn off the Government's revenues—rather more than the effect of cutting the standard rate of income tax by 1p. An $8 per barrel fall in the oil price, now seriously discussed in the industry, would wipe out the whole of the £2bn scope for tax cuts, now the benchmark for the Treasury's discussions.

However, the Budget is not quite as vulnerable to the changes in world oil prices or the crumbling of the Opec cartel as these figures might suggest.

Since November, the weakening of spot oil prices and speculation about the collapse of the official price structure appear to have had a close connection with the depreciation of sterling. Since North Sea oil is priced in dollars any weakening of the pound against the dollar automatically raises the sterling value of the oil and hence of the Government's tax revenues. The 10 per cent depreciation of sterling against the dollar in the last three months will have raised the value of government oil revenues by perhaps £800m in sterling terms.

This means that the effect of the weakening oil price and the depreciation of sterling in recent months have roughly cancelled each other out in terms of the tax take. However it by no means follows that future movements will be equally balanced.

In its November Autumn Statement the Treasury estimated that next year's public borrowing requirement would be about £7bn in the absence of any Budget tax cuts. Because tax cuts themselves help to generate extra revenue, the Chancellor would on this view be able to "give away" around £1.3bn and still aim for a borrowing target of £8bn.

More recent estimates, from the Confederation of British Industry and the Institute for Fiscal Studies, both suggest that the scope for cuts could be nearer £2.5bn for an £8bn borrowing target. However, the London Business School's latest internal work suggests that the scope for cuts might be only about £1bn for the same target.

These discrepancies of £1bn or so are merely small change to economic forecasters, who can only predict the public sector borrowing requirement within a margin of error of about £4bn. Even the Treasury's prediction for last year was adrift by £2bn, and it looks as if it may be out by as much again this year (1982-83).

Yet the Chancellor cannot afford to be so vague on Budget day. The difference between a decision to cut income tax by 1p or not may be unimportant in economic terms but the political stakes are higher.

He has to pick a figure, however wildly the question marks are dancing around it: Is Sheikh Yamani right that North Sea oil prices must come down? Have the foreign exchange markets already discounted this, or would the pound stumble into a new slide? Will the U.S. take Sir Geoffrey's advice and tame its budget deficit with a medium term strategy? And if so would U.S. interest rates fall enough to topple the dollar and cut the value of North Sea oil?

Then, perhaps most important of all, there is the political constraint. If the "give-away" were less than £1bn, editors would start reaching for their "Scrooge" headlines and there would be consternation among those Conservative backbenchers with marginal seats.

On the other hand, expectations of a modest tax cut of about £2bn have become so rooted, that anything much above £3bn to £4bn would cause eyebrows to lift in the financial markets and risk accusations of a pre-election slackening, with possible danger for sterling.

At the same time Sir Geoffrey is constrained by his general commitment to reduce budget deficits and so make way for lower interest rates. He has described the ideas of post-war Keynesian demand management which suggested an increase in deficits in times of recession as "a busted flush." Only yesterday at a press conference in London he described the idea of "injecting demand and all that sort of stuff" as being "old fashioned."

Those commentators who have suggested that Sir Geoffrey might make way for tax cuts by a significant increase in his borrowing target to get the economy moving have either not read or not believed his speeches.

Since this year's borrowing target is likely to be £8bn or less (compared with the last Budget forecast of £9.5bn), it seems unlikely that Sir Geoffrey will want to raise next year's target to much more than £8bn. A figure of £8.5bn would be acceptable, but £9bn would make him uncomfortable.

The logic of a strategy which puts financial rectitude in the primary place is that the Chancellor has *much less discretion* to cut taxes by borrowing more, a paradox not always appreciated by the Tory rank and file.

A great deal will therefore depend, as it did in his last Budget, on his ability to spread a small amount of money thinly and still make it look attractive.

It seems clear that the Prime Minister's wish to put the emphasis on personal tax cuts has gained ground over the lobby for giving most help to industry.

In the first place the balance of payments current account is now looking much healthier than in November, so that the argument that income tax cuts would suck in exports appears less damaging. Secondly, the depreciation of sterling has already given help to industry by improving its competitiveness.

The indications now are that income tax allowances will be raised by more than the rate of inflation—probably by around 10 per cent while specific duties are raised by less than the rate of inflation.

After a number of smaller measures the question will be whether he can afford to cut a further half point off the employer's National Insurance Surcharge, and at the moment this seems rather unlikely.

INCOME TAX CUTS: THE COSTS AND THE BENEFITS

£m at forecast 1983-84 prices, incomes, and capital values)

	First year cost	Full year cost
Indexation of income tax allowances and thresholds assuming 6% inflation	910	1,190
of which:		
Increases in main personal allowances	835	1,035
Increase in the basic rate limit(†)	45	75
Increases in further higher rate thresholds(†)	30	65
Increase in investment income surcharge threshold	neg	15
Indexation of capital transfer tax thresholds and bands	15	40
Indexation of capital gains tax exempt amounts	Nil	10

(†) Additional costs after previous changes have been introduced.

Indexation and income tax—Effect of 6% rise

	1983-84 £	1982-83 £
Single and wife's earned income allowance	1,665	1,565
Married allowance	2,595	2,445
Additional personal and widows' bereavement allowance	930	880
Single age allowance	2,220	2,070
Married age allowance	3,495	3,295
Aged income limit	7,200	6,700

Income tax rates per cent	Bands of taxable income 1983-84 £	1982-83 £
30	1-13 600	0-12 800
40	13 601-16 100	12 801-15 100
45	16 101-20 400	15 101-19 100
50	20 401-27 000	19 101-25 300
55	27 001-33 600	25 201-31 500
60	over 33 600	over 31 500

	1983-84 £	1982-83 £
Investment income surcharge threshold	6,700	6,250

Ashley Ashwood

Sir Geoffrey Howe: problems of picking the right figure

DUTY: PRICE INDEXATION

(Effect of 6 per cent increase in duties, £m 1983-84 prices)

Beer (pint)		
Wine (bottle of table wine 75 cl)	5.5	25
Spirits (bottle)	30	30
Tobacco (20 kingsize cigarettes)	3.8	125
Petrol (gallon)	4.9	225
Derv (gallon)	4.2	35
Vehicle car tax and vans	£4.80	85
Tax on goods vehicles	£10.20-£109.20	22
Total		657

Value added tax and National Insurance Surcharge

	First year cost	Full year cost
1% point cut in rate of VAT	500	690
1% point cut in NIS	1,080	1,220
assuming recovery from the public sector	680	820

Source: HM Treasury

Letters to the Editor

Management

From Dr V. Simons

Sir,—I echoed the views expressed in your leading article on the management of pensions funds January 28 until I became a "Members' committeeman" on the management committee of a large fund. I now disagree, and recognise a dilemma.

I am very conscious of the actuarial valuation of the fund, and the ability of my employer to make the full contribution recommended by the actuary. This is several times greater than the members' contribution. There must be efficient management of the assets of the fund to ensure the optimum return on investment for the benefit of members and pensioners, and of the employer. The exercise of "proprietorial responsibilities" in the management of an ailing firm is incompatible with the best interests of the fund and hence its members. Shares in the ailing firm should be sold at best price to allow more lucrative re-investment of the proceeds. I would consider that the fund investment manager and trustees were ineffective if they did not do so.

Who, then, should ginger up the management of firms now that there are so few "proprietors" other than investment institutions? The banks seem to be the likeliest agents, as they, after all, have long time lies with their customers, unlike the shareholding investment institutions.

(Dr) Victor Simons.
27, Glenmore Road, NW3.

Accountants

From Mr Denis Clayton

Sir,—I refer to Chris Cameron-Jones's report of January 19, under the heading "Concern at rise in number of accountants," which at first sight I thought would be about the general public's concern that there were too many accountants influencing our lives, not, as it turned out, the reporting of Mr Kenneth Sharp's concern about the standards of accountants made various statements such as "The rise in the number of accountants in the country must stop," "cut the intake," "increase the entry standards" and "The advent of the technician grade must have rendered unnecessary training to professional standards," etc.

No, no, Mr Sharp! You've got it all wrong—classify them as "Unnecessary Accountants" and send them here to Lloyd's.

We shall shortly be requiring more unnecessary accountants than you can produce if we are to understand and implement the new rules they are inventing for us and still continue our broking and underwriting businesses with some chance of success.

The career prospects for a young fellow are fantastic. There will be a mass of unnecessary work for the "Unnecessary Accountant" to do.

There is, however, one catch I am afraid, and that is that we cannot offer them job security, as our market place and businesses will smother and die under the weight of paper they will require and the cost of supporting them!

Denis Clayton.
Denis M. Clayton and Co.
65-68 Leadenhall Street, EC3.

Variables

From the Chief Economist, Capel-Cure Myers.

Sir,—Mr Brittan (January 20) quotes the Friedman and Schwartz result that for the UK a sustained one percentage point change in monetary growth eventually produces a one percentage change in the rate of inflation. But this refers to a change in monetary growth over and above that which they estimate is needed to satisfy increased demand. In other words, simply because monetary growth has increased this does not necessarily mean that increased inflation must follow; it all depends upon whether the demand for money has kept pace with the growth in supply. Indeed, it would be impossible for Friedman to ignore this because, as Mr Brittan reports velocity in the ... 1.8. In plain language, this represents a massive increase in the money supply which did not affect inflation.

So what Friedman and Schwartz claim to show is not the constancy of the ratio of money supply to money national income, but rather the stability of a relationship linking the demand for money to a number of variables. It is important to note what these variables are. They include a variable representing the degree of financial sophistication and two "dummy" variables to capture "post-war readjustment and an upward shift in demand."

In other words, the relationship is maintained through difficult periods by adding explanatory variables where appropriate. Perhaps in time to come the supposed stability of the demand for £M3 will be shown to have survived the last few years by including dummies to reflect readjustment to Mrs Thatcher's Government, or the level of sterling. Yet this would do nothing to detract from the acute dilemma which faced policy makers at the time — having to decide on the spot whether they should rely on a positive historical relationship between £M3 and nominal income, or whether they were in the middle of one of these "adjustments" which shifted the relationship, and that instead they should rely on the evidence of their eyes and ears that inflationary pressures were receding.

I only wish that those politicians who have swallowed the message of Friedman the pundit but relied on the work of the Nobel prize winner for support would read the book. Observing the difficulty of wringing an unsatisfactory relationship from the data would be a salutary experience.

Roger Bootle.
Both House,
Holborn Viaduct, EC1

Pay

From Mr D. Layton

Sir,—Yes, indeed, there are ... when discussing water and other public sector pay: Relativities; national versus local bargaining; and the right to strike.

I don't know how current earnings or base rates for similar workers in gas, electricity and water compare, but I do know that the authorities in question each have their own figures and that neither Mr Trinder, the expert from the NIESR (also February 3) nor the public at large know what they are. I certainly don't know what is a fair and reasonable settlement.

What we do know though is that the position will be fundamentally altered if the next water settlement moves to April in 1984 instead of being in December 1983. In April it will come not eight months after the February/March 1983 gas and electricity settlements, but just one month after the next round of settlements in February/March 1984. Such changes, provided relativity has any place in negotiations in future, would bring major improvements in water workers pay, on top of the 7.3 per cent, in either 1984 or 1985.

I don't think I've got it wrong, but if I was the employer I would offer 5½ per cent to last for a year, rather than move to April. And if I was the union I would grab the opportunity of moving to April immediately. Yes I know, there is that second question about local or national bargaining, but surely national bargaining will not have disappeared by 1984, unless something acceptable to both sides replaces it.

People sometimes criticise those who are negotiating for lack of communications with their employees. I just wonder how many people were aware of what the 16-month proposal by the mediator implied. I wonder if the employers and the unions thought about it, or even whether the mediator appreciated what he was doing. It must be even more doubtful whether all those who answered the MORI questionnaire knew ... whether those who are out on picket duty understand the issues raised here.

The third issue is about the right to strike. Perhaps unions and employers could be induced to agree not to use the strike weapon until ACAS or some other third party had had the duty to provide, with the help of the parties, the facts and figures on the pay and comparisons that were at issue. That might at least be a start.

David Layton.
Incomes Data Services.
140, Great Portland Street, W1

Contracts

From the Deputy Director-General, Confederation of British Industry

Sir,—Michael Grylls, MP (January 26) accuses the Confederation of British Industry of shying away from anything approaching robust discrimination to encourage smaller firms in the field of public purchasing, "because it is financed chiefly by large companies and the national industries." He bases this accusation on a reference in your columns (small firms and Europe, January 18) to the fact that the CBI is opposed to action at European level to reserve a certain proportion of public sector contracts for smaller firms. What nonsense!

The CBI Smaller Firms Council's view on the subject (CBI policy) was reached only after a detailed study of government purchasing policies in Japan, Canada, and Western Europe as well as the U.S. The consensus that emerged was that there were many ways in which government could usefully encourage smaller firms to win a greater share of public contracts, but that reserving a fixed proportion of such contracts for them was probably the least desirable of all possible methods.

The problem with "set asides" is that the minimum proportion of contracts reserved ... form of bureaucratic "watchdog" is needed to ensure that the purchasing agencies do not try to bend the rules. "Set asides" would be divisive between firms because an inevitably arbitrary definition of a "small firm" would have to be introduced leaving some firms out in the cold, and competition would be distorted because purchasing decisions would be based on quantitative and qualitative characteristics of firms rather than commercial criteria.

Suggestions about how the government can help smaller firms to win a larger share of public contracts include allowing small firms to collaborate to provide a "package" of goods or services, breaking down large scale contracts, simplifying tendering procedures, reviewing lists of approved contractors and explaining to unsuccessful tenderers the reasons for their failure. This latter point looks to the practice in France, mentioned by Mr Grylls. The CBI has certainly not rejected this possibility.

Our experience is that owner-managers of smaller companies do not ask for special privileges or favourable treatment. What they want is to be left alone to compete on equal terms with the rest of business.

Edward James,
103, New Oxford Street, WC1.

British

From Mr J. Rothman

Sir,—The problem of goods which appear to be British but which in fact have a small British content described by the chairman of Leyland Vehicles (January 27) is found in other industries besides that of vehicles.

The solution is for companies which are proud of their local content to publish in their annual accounts a UK value added statement and to give this as much publicity as possible.

James Rothman

Barry Riley and Dominic Lawson report on the current boom on London's stock markets

Small company shares reach giddy heights

THIS WEEK the share price of Arlen Electrical, lighting and accessory company, leapt from 217p to 380p. And on a single day, last Wednesday, the share price in London of International Petroleum, a North American energy speculation, soared from 75p to 195p.

Meanwhile further progress was made by many of the more established high-fliers. Polly Peck has topped £35, more than 10 times its 1982 low, a level which compares with 7p some three years ago. Another speculative favourite, London and Liverpool Trust, has touched 700p, more than 10 times its price at the end of last September.

These performances are being achieved against the background of an equity market which this week has surged to new all time peaks, whether measured by the FT Industrial Ordinary Index, or by the more broadly based FT-Actuaries All-Share Index which for the first time ever has topped the 400 level.

Equally impressive is the sheer volume of equity business on the London market, which on several recent days has recorded turnover of more than £300m.

Bull markets breed an atmosphere all of their own, and the past few months have seen a level of activity in some of the so-called "penny stocks" which has surprised even some of the hardened dealers.

"Young boys starting here think this is normal," remarks one experienced broker. But like many other professional market men, he is conscious that fundamental values, in the end, will reassert themselves.

"Undoubtedly some clients have the idea that you can make yourself materially richer without taking any significant risks," says another broker, who looks after private clients rather than institutional investors. "We try to pour a bucket of cold water on such ideas."

Nowhere are the values more suspect than on the Unlisted Securities Market (USM), the fringe market set up by the Stock Exchange just over two years ago to stimulate the flow of new companies to the market and to encourage the small entrepreneur to use the capital market.

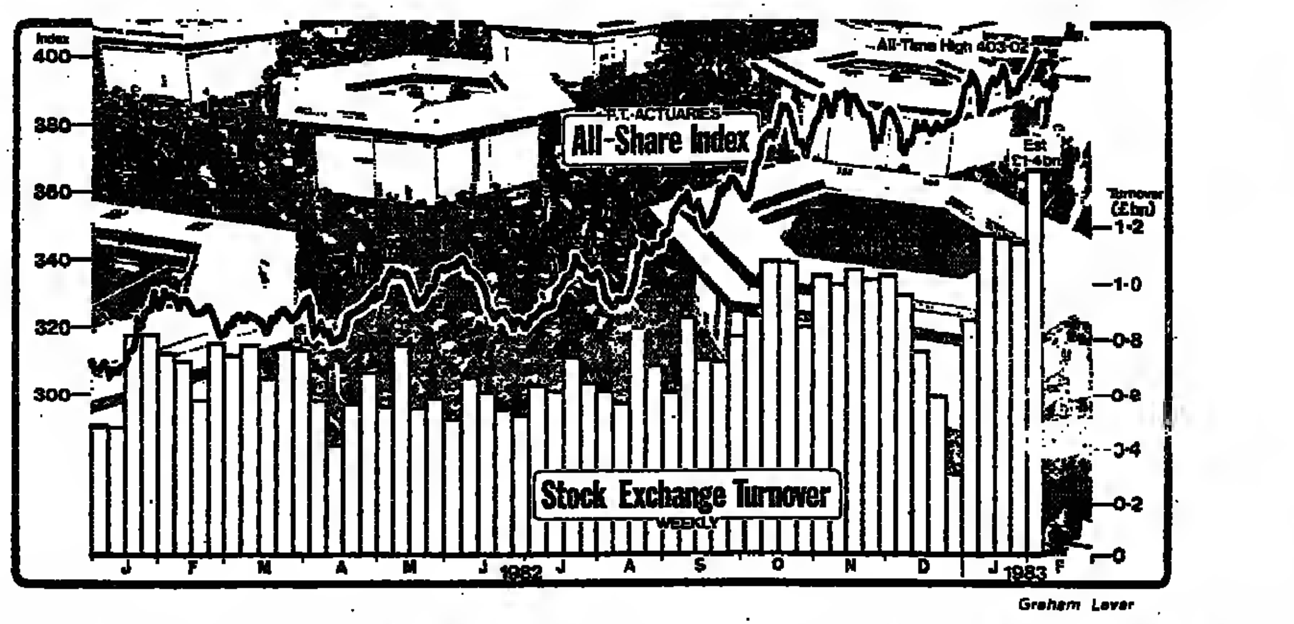
Mr Robin Stormonth-Darling, chairman of the broking firm of Laing and Cruickshank is also chairman of the Stock Exchange's Quotations Committee and closely monitors the development of the USM.

"We're very proud of it, we're very thrilled with the way it's gone," he says.

He agrees that some of the prices on the USM are frothy. "That is the nature of any bull market," he comments. "It is not our job to be concerned with prices—that is a matter for buyers and sellers. One is concerned in a general way if it's overdone. But in the past few weeks USM turnover has settled down to a more reasonable level."

Brian Winterflood is the managing director of Bisgood Bishop, the only stockjobbing firm which deals in all USM shares: "USM share prices are crazily high. It scares the living daylights out of me. I've never seen anything like it in my life. The number of brokers asking about the USM used to be small. Now it covers the whole Exchange. They're all dealing in it. Institutions and unit trusts got left behind, but now they can't get enough stock."

To an extent, the inflated price of USM stocks is simply a question of shortage of supply. They tend to come to the market capitalised at less than £5m, and need only release 10 per cent of their equity. When Microgen came to the USM in January, broking firms were allotted only about 200 shares each. In a market that thin it doesn't take much demand to move the price. Microgen's shares were placed at 190p, and on the first day's trading hit 370p. Not for nothing is Microgen's motto "less is more."



Graham Lever

Micro is a common enough prefix for the names of companies on the self-consciously high-tech USM. Electrical and oil stocks comprise about 45 per cent of the market capitalisation. Motors, industrials, engineering, machine tools and building construction companies combined account for little more than 12 per cent of total value. But speculation is no respecter of industrial trends. Property company Tops Estates, incorporated in July 1981, slipped on to the USM at the very end of last year, and with not much more than six properties to rub together, its shares were placed on the market at 10½p. This week they hit 75p.

Not surprisingly, tip sheets concentrating in particular on the USM have been having a field day. Advertisements appear in the press with sales patter such as "make a killing this year with the USM share of the week . . . fast moving subscribers can buy in early and make a killing before the price is pushed up by a wave of buying."

Such newsletters, with names like Shareform and Stock Market Confidential, have enjoyed mushroom growth at annual subscription rates from £50 to £150.

Mr Ronald Dunbar of Kleinwort Benson Small Companies Fund sees "a proliferation of tip sheets — one or two of dubious quality. It does appear that one sees an enormous movement in small companies' shares on the back of a recommendation or tip."

The USM is not the only focus of speculation in the stock market today — many of the fastest moving shares like Arlen or London and Liverpool have full listings. But it does symbolise the air of unreality, a market dominated by short-term traders rather than investors making serious attempts to size up longer term prospects.

Moreover the USM is the place where the new issue market is now very largely concentrated. Aside from one or two Government privatisations, like the unfortunate Britoil and the current offer of Associated British Ports, the number of new full listings has been small. But dozens of companies have come to the USM in recent months.

In just over two years, Mr Stormonth-Darling points out, 152 companies have been admitted to the USM, though allowing for transfers to the full market, takeovers and a handful of failures there are 139 at present.

New issues are traditionally highly popular with private investors, and profits for the "stags" have often been huge in recent months, as the banks and brokers which sponsor the new flotations have struggled to bridge the gap between what might be thought reasonable prices and the kind of stratospheric ratings now common on the USM.

A well-known example was that of Pineapple Dance Studio, the Covent Garden enterprise which was issued at 52p in November, went to 87½p on the first day of trading and currently stands at 135p.

The sausage and black pudding manufacturer Slaters Food was placed by brokers Smith Keen Cutler last November 25 at 62½p, and the shares had doubled in value after one day's trading. Partner Mr Roger Wood is not amused: "It went to a ridiculous premium. It's rated as if it made microchips, not sausages, and the directors are now multi-millionaires. But now companies are coming along attracted to the high ratings on the USM, and they want to be overpriced from day one."

Selectivity has gone out of the window. "People don't ask what the company does, but when it will arrive," says one broker, adding: "And I'm talking about market operators, not innocents."

But there is an underlying current of unease amid the euphoria. "When Euroflame was suspended 18 months ago the whole of the USM was marked down," remarks one City practitioner. "If a favoured USM stock were to go under we would [illegible]

[illegible] only prove temporary, however: during 1983 about 70 new entrants are expected to arrive on the USM.

Just where is all the speculative interest in the stock market coming from? To some extent it must reflect a general reawakening of activity by small investors. But to a larger degree it would seem that it springs from the activities of professionals in the City of London themselves.

One broker argues that the early money into speculative situations "is from the private accounts of fund managers and brokers. It's a flutter, like putting money on the horses, and it sums up the market over the last two months."

But who are the people who are first in and, often enough, the first out? "The so-called spivs, who start the ball rolling, are people who work in the City, operating privately," suggests one broker. "Then shares will double on the basis of a rumour. We live in an incestuous environment here in the City. Everybody knows everybody else."

There exists one specialist unit trust buying into USM shares—the Britannia USM Fund. The fund's manager, Mr Ian Forsyth, argues that he is looking for entrepreneurial talent. "My overriding impression of management on the USM is that it is more enthusiastic than that in more established businesses. So would I be, if I held 80 per cent of a company's shares."

But Mr Forsyth is far from starry-eyed. "Many of the companies on the USM are still [illegible] to be bankrupted [illegible] months' very [illegible] out."

[illegible] market [illegible] simi- [illegible] specula- [illegible] Some ten [illegible], dozens [illegible] companies [illegible] banks shot to brief prominence in the property and financial boom, but most of them were swept away by the 1974 crash.

One rationalisation of what is going on in the stock market is that there is a great deal of structural change occurring in what is in aggregate a stagnant British economy. Big old companies are dying on their feet—but there exist tremendous opportunities for new companies to exploit developments, especially in the high technology and service sectors.

But whether this can justify the enormous valuations placed on largely untried ventures is another matter. For a time, successful speculation can be self-sustaining as the profits of those in at the beginning are financed by later arrivals at the feast. But in the end, the ratings will have to be justified by results.

Many in today's stock market see all the symptoms of a mature bull market, with enormous two-way activity and a chase for second-line situations as interest wanes in the big electrical and retailing shares which led the market up for much of last year. But few are willing to predict the turning point.

Weekend Brief

Running 100 marathons one after the other

"We thought they were nuts," said a spokesman for the Intermediate Technology Group, the registered charity based in London. "We referred them to the Royal Geographical Society. They also thought they were nuts, at first. Later they said that if anybody could do it, then the two brothers could."

The "it" is a charity run unprecedented in marathon running—2,500 miles of the foothills of the Himalayas. The brothers are Richard and Adrian Crane from Cumbria who wanted to run the length of the Himalayas—for fun, and for a charity—when the race gets under way from the tea plantations of Darjeeling next month on its heroic route to Rawalpindi.

For those without a stomach for running this is inconceivable. Even for marathon runners, well used to clocking-up 26 mile races, "running the Himalayas" takes the breath away, because 2,500 miles is equivalent to almost 100 marathons of conventional distance.

That alone is quite astonishing. To do it in 100 days, a marathon-a-day before supper, raises the question of sanity. This was the reaction of the Intermediate Technology Development Group, which specialises in giving advice on technologies appropriate for developing countries and more recently also Britain.

ITDG, was approached by the brothers Crane. Richard and Adrian said they would like to "run the Himalayas" for charity and to give all money raised to ITDG for help in its work.

The brothers' pedigree in "adventure with a difference" and their orientation towards high technology computer-orientated subjects, suggested that Richard and Adrian might not be jesting. Richard, 29 years old, is primarily a racing cyclist, with a three-peaks record attempt and the Bay of Biscay to the Mediterranean (via the Pyrenees) four-day race to his credit. He also took part in the human powered vehicle championships and has climbed Mount Kenya and Cotopaxi, the world's highest volcano, and other peaks.

He also managed to gain his PhD in geology and will work for BP on his return from India and Pakistan.

Adrian, 28 years old, is no slouch either. Captain of his college athletic club at Durham University, he has a penchant for triathlons, taking in swimming, cycling and running, including the San Francisco and Los Gatos marathons.

All these feats pale in comparison with "running the Himalayas." The brothers have few illusions about the potential difficulties ahead. "It gets quite difficult on the Tibetan plateau," Richard said disarmingly. "The problem will be to get enough food and water."

A logistical operation to rival the Falklands task force is planned by the two brothers to running shoes and boots at appropriate intervals along the

deposit food, drink and spare route.

This in itself demands an immense amount of energy. The run, or rather climb, takes Richard and Adrian to 20,000 ft — 2,000 ft higher than the base camp of Everest, which is on the route.

How secure are these supply dumps going to be? "A pretty good question," Adrian said without hesitation. In case the dumps are not there when the runners arrive steaming after a day on the trail, the brothers intend to live off the land.

The reward? Immense, unparalleled satisfaction and a cheque for £250,000 for ITDG.

Sculptures in ice at melting point?

SYDNEY Opera House is melting. So too are Osaka Castle, the Hong Kong "Star Ferry," and a small army of "E.Ts." This novel and disturbing occurrence can be witnessed in Sapporo, the normally frozen capital city of Japan's northern island of Hokaido, where the local population of 1.4m have been watching the mercury climb slowly up their thermometers with growing horror.

For this week the city opened its internationally famous five-day Snow Festival, which annually features some of the most spectacular snow and ice sculptures to be seen anywhere in the world.

Last year, festival visitors spent a total of Y9.4bn (£26m) during the snow festival week, dwarfing the total winter ski-tourist income of Y2.5bn and the one-month summer festival income of Y2bn.

This year, however, new record-breaking feats of snow sculpting have been matched by equally exceptional weather conditions.

The temperature on January 29 reached 7.5 degrees Centigrade, a full 8.7 degrees Centigrade above the normal sub-freezing levels, and the weathermen are forecasting several more balmy days to come.

In spite of the sight of water dripping from the arms of laboriously constructed statues an atmosphere of confidence prevails.

In the words of Mr Kouji Ishii, Sapporo's tourism industry chief, "only God knows about the climate, but we are still optimistic."

If the amount of effort which went into the festival preparations is anything to go by, then his optimism should be justified. For 5,500 four-ton truck loads of fresh snow from nearby mountains were ferried into the city for the construction of the 205 snow and ice sculptures displayed on the two festival sites.

The "Odori" site is a 65-metre wide, 1.5 km long boulevard-like tract of land which divides the city, and, paradoxically was originally designed as a fire-break.

In Odori, there are at least 150 smaller snow sculptures made by a wide variety of business, citizens and youth groups, and based on more than 9,000 suggested sculpture themes submitted by elementary school students.

At the eastern end of Odori, beneath a 100-metre television and observation tower, one finds a higher rank of exhibit, the 50 exquisitely detailed ice-sculptures made, significantly, almost exclusively by professional cooks.

The real highlights, however, are the 20 or 30 giant sculptures, notably a massive replica of Sydney Opera House, which marks a new sister-city affiliation, the largest sculpture yet attempted, and measuring 17 metres high by 40 metres wide.

These giant statues each require 2,000 cu metres of snow and 1,200 work-shifts during 25 days to construct. Other models include three cathedrals and a variety of giant popular cartoon characters, one of which, Gundam the space robot, is the anticipated children's favourite.

It was in fact a group of junior-high school students who started the whole thing off 33 years ago. Led by a local snow-modelling enthusiast, the late Mr Naoto Kondo, these children built five statues in Odori, in the austere post-war winter of 1950.

By 1960, 700,000 people were flocking to the event, and by 1982 a total number of 1,860,000 visitors was recorded, including 15,000 foreigners.

Insurance snags and The Grey Bomber

Racing people were shocked this week by the death of The Grey Bomber, a five-year-old stallion, winner of all its five hurdle races this season, second favourite for the great Triumph Hurdle Race at the Cheltenham Gold Cup meeting in March, for which its owners had backed it at 250-1 before its debut at Carlisle.

The Grey Bomber was a victim of one of those imponderables of racing. On a gallop, it was killed by a live power cable blown down at Bishop Auckland, County Durham, near trainer Denys Smith's stables. Its rider, Smith's head lad, escaped because he happened to be wearing wellies.

Last night, Smith and the horse's owners, Pat Macdonald and Bill Love, were discussing their plans to seek compensation from the North Eastern Electricity Board.

The Grey Bomber was not insured. Smith says: "When an owner has 14 or 15 horses, he doesn't know quite what to do. When you see that the premium for insuring a hurdler is around 7½ per cent of the value insured you can understand why."

Raceborses, like property owners, are under-insured, it seems. Take a horse like The Grey Bomber, valued at £70,000 on the basis of a bid by an Italian syndicate. For a small owner, the horse's insurance covering all eventualities would cost around £10,000 a year. And even that doesn't allow for its potential, several years of racing (with The Grey Bomber about seven years), plus stud value if all the requirements are there.

Taking The Grey Bomber as a guide, if it lived up to its potential, then £500,000 would be its worth at least, according to Smith.

But as one owner said: "All racing is a gamble. A few years ago I had a chance to buy a foal for 1,500 guineas. I didn't buy it, because I didn't think I could spare the money at the time. It won £385,000 in prize money and was sold for about £1m to stud."

People who insure racehorses are naturally anxious to get business. The Robert Sangsters don't need their services very

much, but a small owner with a £4,000 yearling that may do well as a two-year-old sprinter and then blow out, may well be advised to consult an insurance broker.

Averting disasters behind the scenes

Few Londoners know how close they came in the early hours of Wednesday morning to a near-repetition of the disastrous east coast floods of 30 years ago, almost to the day.

Two crucial differences, however, marked the effects of the stormy weather and rising tides on London. The wind changed direction as a potentially dangerous tide, on top of an already high rising spring tide, headed for the confines of the Thames estuary.

This was vital in helping to turn the venom of the 100 mph winds and rising water away from London. Also crucial was the £450m Thames Barrier, built at Woolwich 10 years after an original cost estimate of £88m had long since been surpassed.

Mr John Holloway, the deputy director of the Thames Barrier project at the Greater London Council, received "the usual warning" from the Storm Tide Warning Centre at the Meteorological Offices at Bracknell at 3.30 pm on Tuesday. This was a forecast for the likely state of the morning tide expected to occur in London at 4.30 am on Wednesday.

The spring tide was expected to be 2.9 metres at Southend, in the mouth of the Thames Estuary. Later the warning centre advised that the tide, with the surge of water from the depression passing over the North Sea, could be as high as 3.74 metres and at one stage the centre feared that a total water height of surge tide plus spring tide could be up to 5.1 metres, more than enough for serious concern about flooding in Central London.

The GLC said that if this had happened, without a change of wind and without the Thames barrier, the banks in central London could have been "topped" by eight inches.

London was saved and Mr Holloway was well satisfied with the performance of the barrier and the emergency staff who manned it throughout the night of the rising waters.

The GLC has not formally taken over the barrier from the builders and engineers and on the night the barrier was raised from the river bed in anger for the first time since its first operational test on October 31. GLC officers worked alongside the contractors.

The success gave great satisfaction to the council officers and all who helped to design and build the barrier. Mr Holloway was not worried that the barrier had to be used before the finishing touches had been put to the site, including computer processing equipment that will take tide level data direct from monitoring sites up the east coast.

Quite the reverse, for he said it would have been a "pity to go through the whole of the winter without using the barrier."

Contributors:
Lynton McLain
Roy Garner
Alan Forrest
Lynton McLain

Economic Diary

TOMORROW: International Spring Fair opens at the NEC, Birmingham (until February 10).

MONDAY: Provisional January wholesale price index numbers. Final December retail sales figures. Credit business (December). Housing starts and completions in December. EEC finance council meets in Brussels. European Parliament in session in Strasbourg (until February 11). EEC agriculture council meeting in Brussels. Bank of International Settlements monthly meeting in Basle.

TUESDAY: London clearing banks' monthly statement (mid-January). Provisional estimates of monetary aggregates (mid-January). EEC research council meets in Brussels. European Security conference resumes in Madrid. EEC-Japan trade talks in Tokyo. Overseas Bankers' club annual dinner in London. National Farmers' Union annual meeting. Association of District Councils makes statement on urban problems and needs.

WEDNESDAY: Central Government transactions (including borrowing requirement) for December. FT Conference on "Pensions in 1983," at Inter Continental Hotel, W1 (until February 10). Mr George Bush, U.S. Vice-President, visits Britain. TUC economic committee meets. Informal meeting of Opec ministers in Caracas. Ford Motor executives discuss future of Halewood car plant with local MPs and councillors.

THURSDAY: Provisional figures of vehicle production in January. U.S.-EEC trade talks resume in Brussels. Interim committee of the IMF meets in Washington to discuss ways of strengthening the Fund's ability to deal with any future debt crisis. Sir Terence Beckett, director general of the CBI, speaks to the American Chamber of Commerce at the Hilton Hotel, W1.

FRIDAY: Retail prices index for January. Tax and price index for January. Building Societies' monthly figures for January. Usable steel production in January.

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	%	Others
Abbey National	6.00	6.25	7.50	7.25	1-year high option, 7.25 6 years sixty plus, 6.75 min. £100, 7 days' notice no interest lost
Aid to Thrift	7.00	7.25	—	—	
Alliance	6.00	6.25	7.75	7.25	3 years Money Monthly £1,000 min. Interest paid monthly
Anglia	6.00	6.25	7.50	7.25	3 yrs., 2 mths. withdrwl. notice
Birmingham and Bridgwater	6.00	6.25	7.75	7.25	Extra Interest Shares
Bradford and Bingley	5.75	6.25	7.25	7.00	1 m. not. or on dem. (int. pen.)
				7.25	High I. a/c 3 m. not. (no pen.)
Britannia	6.00	6.25	7.25	7.25	Option Bond, 7.25 2 mths.' not.
Cardiff	6.00	7.00	7.75	—	
Cardiff	—	*7.50	—	—	* Share a/c bal. £10,000 & over
Catholic	6.00	6.50	7.50	7.50	6 months' deposit, £500 min.
Century (Edinburgh)	6.50	7.00	—	8.00	2-4 years
Chelsea	6.00	6.25	7.25	7.70	3 yrs., £1,000 min. 90 days' pen.
Cheltenham and Gloucester	6.00	6.25	7.25	—	
Cheltenham and Gloucester	—	7.25	—	—	Gold Account—savings of £1,000 or more. No notice—no penalty
Citizens Regency	6.00	6.50	8.00	7.50	3 yrs. Double Option shs. 7.40
City of London (The)	6.25	6.60	7.50	7.50	Capital City shs. 4 mths.' notice
Coventry Economic	6.00	6.25	7.50	7.75	4 yrs., 7.50 3 yrs., 7.25 3 mths.
Derbyshire	6.00	6.25	7.50		6.75-7.35 (3 months' notice)
Greenwich	6.00	6.50	7.75	7.75	2 yrs., 7.50 28-day pen./notice
Guardian	6.00	6.50	—	8.25	6 mth., 7.75 3 mth., £1,000 min.
Halifax	6.00	6.25	7.25	7.25	Extra Interest Plus, 3 months' wdl. notice or loss of interest
Heart of England	6.00	6.25	7.50	7.00	1 mth. not., 7.25 flexi tm. 3 yr.
Hemel Hempstead	6.00	6.25	7.50	7.75	3 yrs., 7.50 3 months
Hendon	6.50	7.25	—	8.00	6 months, 7.75 3 months
Lambeth	6.00	6.50	7.75	8.00	6 mths., 7.75 28 days, 7.25 3 m.
Leamington Spa	6.10	6.35	6.60	—	
Leeds and Holbeck	6.00	6.25	8.00	7.75	5 yrs., 3 mths. Interest penalty
Leeds Permanent	6.00	6.25	7.25	7.25	3 yrs., E.I. a/c £500 min. 7.00
Leicester	6.00	6.25	7.25	7.25	3 yrs., 7.25 3 months
London Grosvenor	6.00	6.60	8.50	7.10	3 mths.' notice 1 mth. int. pen.
London Permanent	6.00	6.75	—	7.50	1 m. not. or on dem. (int. pen.)
Midshires	6.00	6.25	7.50	7.25	1 year, 3 months' notice no pen.
Mornington	6.80	7.30	—	—	
National Counties	6.25	6.55	7.55	8.00	28 days, 8.25 6 mths., £500 min.
National and Provincial	6.00	6.25	7.25	7.25	3 years, 7.00 1 month
Nationwide	6.00	6.25	7.25	7.25	3 yrs., £500 min. imm. wdl. with penalty. Bonus a/c 7.00 £500 min. imm. wdl. with penalty
Newcastle	6.00	6.25	7.50	7.75	4 yrs., 7.25 28 days' notice, or on demand 28 days' int. penalty
New Cross	6.75	7.00	—		7.00-8.00 on share accs., depending on min. balance over 6 months
Northern Rock	6.00	6.25	7.50	7.00	High Interest share. 7.25 3 yrs.
Norwich	6.00	6.25	7.50	7.25	3 yrs., 7.00 2 yrs.
Paddington	5.75	6.75	8.25	7.25	7 days' notice
Peckham	6.75	7.00	—	7.50	2 y., 8.00 3 y., 8.50 4 y., 7.25 Bns.
Portman	6.00	6.25	7.75	7.00	1 mth., 7.25 6 mths., 7.25 5 yrs.
Portsmouth	6.35	6.55	8.05	8.40	5 yrs., 8.00 6 mths., 7.50 1 mth.
Property Owners	6.25	6.75	8.25	8.25	4 yrs., 8.25 6 mths., 7.75 3 mths.
Scarborough	6.00	6.25	7.50	7.25	Retirement Bonds (2nd issue), 7.25 Money Care + free life ins.
Skipton	6.00	6.25	7.50		7.00-7.15 (1 mth.), 7.25 3 yrs.
Sussex Mutual	6.25	6.50	8.00		6.75-8.00
Town and Country	6.00	6.25	7.50	7.50	3 yrs., 60 days' wdl. notice
				7.50	imm. wdl. 28 days' interest loss
Wessex	6.25	7.30	—	—	
Woolwich	6.00	6.25	7.25	7.25	90 days (int. loss), 7.25 Special Interest Shares 90 days' not. or imm. wdl. with 90 days' int. loss (min. £500), 7.00 immed. wdl. 28 days' interest loss
Yorkshire formerly Huddersfield & Bradford and West Yorkshire	6.00	6.25	7.25	7.25	5 Star Bond min. £500, 2 mths. not. with pen., 7.25 Golden key imm. wdl. 28 days' pen. interest

All these rates are after basic rate tax liability has been settled on behalf of the investor.

Wiggins Group ahead at £330,000

PRE-TAX profits at **Wiggins Group**, including those of newly acquired Gee, Walker and Slater for the first time, improved from £273,000 to £330,000 in the six months to September 30, 1982. Turnover of this contractor and developer of estates, motor sales and servicing, climbed from £8.61m to £20.3m.

The interim dividend is raised from 1.15p to 1.25p — last year's total was 3p from pre-tax profits of £705,000 against £1.32m.

The directors say the group is continuing to progress as planned, and the contracting division is performing well. They say that now that Gee, Walker and Slater has been fully integrated, they expect the enlarged operation to contribute improved profits in 1983-84.

Residential activity was maintained at a low level during the half-year. Firmer demand is now being experienced, particularly at the major Thornbury Court conversion and refurbishment scheme in West London.

During August, the group acquired another Volvo dealership, Tamplins of Twickenham, which is trading well from its own freehold premises. A month earlier, Wiggins acquired four acres of building land for £475,000, and a development property in Gosport, Hants, for £300,000. Both have been independently valued at an aggregate of £825,000.

The building land is at Thorpe Bay, Essex, and has planning permission. The property is a freehold factory and office building.

First half tax rose from £32,000 to £40,000.

Bankers pledge support for T & N reconstruction

BY CARLA RAPOPORT

AGREEMENT has been reached between Turner & Newall, the troubled asbestos products group, and its bankers on terms which guarantees their support during a programme of reconstruction planned for the next two years.

T & N had been in talks with its bankers, led by National Westminster, since its announcement last September of a pre-tax loss of £4.5m for the first six months of 1982 on sales of £328.8m.

Those talks had been delayed by the arrival last November of a new chairman, Sir Francis THombs. Despite T & N's heavy programme of rationalisation in the last 16 months, Sir Francis said yesterday that the company plans to implement a "further substantial programme of reconstruction and streamlining of the group" designed to reduce debt and return the group to profits.

The Prudential Corporation, which holds about 5 per cent of T & Ns share, has apparently agreed to give Sir Francis an option to buy some 500,000 shares at a price close to the current 30p. The option starts in a year and runs in three tranches until 1986. If fully exercised, the Pru would reduce its holding in the company by about 10 per cent.

To this end, he said, the company's bankers have declared their desire to assist the group in its return to financial health and have agreed to provide facilities which are adequate for its needs. These will be reviewed on a semi-annual basis until December 1984.

The new arrangements give the bankers security over the UK assets of the group, and require ammendments to the terms of the company's £18.5m worth of outstanding loan stock. The arrangements also call for these loan stocks to be secured equally with the bankers in the UK.

At the year-end, T & N had some £175m in debt against £300m in shareholders' funds. The recent sale of its stake in Hunt Chemical in the U.S. will eliminate around £55m of the debt this year.

The company said that trading conditions continue to be difficult, with no sign so far of improvement.

A meeting of the holders of the loan stock has been called for February 28.

See Lex

Albion losses slightly reduced

TAXABLE LOSSES of Albion, men's outerwear manufacturer, were down slightly, as expected, at £748,000 for the year ended September 30 1982, against a previous £787,000.

In spite of reductions in capacity implemented during the year, the continuing recession, referred to in the interim statement, has again resulted in a situation of over-capacity, the directors state. Further immediate cuts, mainly in Yorkshire, have been implemented, resulting in an exceptional debit of £347,230.

At the halfway stage, with losses standing at £370,000, compared with £505,000, the directors said that in spite of costs to be incurred in the second half they anticipated an improvement for the full year's results.

There is, again, however, no dividend for the 12 months, the last payment being a single distribution of 0.6p per share for 1979-80.

Turnover for 1981-82 was lower at £9.27m, against £11.25m, and the loss was subject to a tax charge of £2,000 (£200,000 credit). Minority interests credited £11,000 (£40,000 debit). The losses in Yorkshire were taken as an extraordinary item.

Loss per share is given as 19.7p (14.6p).

The directors explain that because of the serious current financial situation, they have commissioned reports from specialist consultants. While these reports have largely confirmed the policy being pursued, they have been constructive and have enabled the board to obtain the assistance of the Industrial Development Board for Northern Ireland, where the company's manufacturing capacity will now be concentrated.

Branon suffers £144,000 deficit at midterm

FOR THE six months ended September 30 1982, **Branon**, oil-field services, construction equipment group, suffered taxable losses of £144,000, compared with profits of £23,000.

The directors state that a dividend will not be considered until the full-year results are available. However, the policy remains that distributions will be paid whenever possible.

Looking to the immediate future, all units are operating efficiently, directors state, and are capable of achieving profit to support this objective.

Turnover for the six months was down slightly at £4.29m, against £4.69m, and the pre-tax figure was after interest of £169,000 (£54,000) and head office costs £106,000 compared with £89,000.

At the trading level there was a profit of £131,000 (£166,000) which was split to: Arbarthorpe £201,000 (£211,000); lubrication group £56,000 (£30,000 loss); Arrow £126,000 loss (£15,000 loss).

There was no tax charge (same) but there was an extraordinary debit of £144,000 for the period £23,000 credit) being the cost of rationalisation of lubrication group activities at Hereford.

Loss per share is given as 4.7p (0.7p earnings). Figures for the year exclude Cavendish Petroleum and start-up costs of Highway Hire.

Profits at Arbarthorpe held up very well and the company is well placed to take advantage of a general improvement in demand, and to benefit from the purchase of specific items in the British rig building programmes, the directors state.

Arrow has recently received a new £3.5m order for military trailers from the Ministry of Defence, and the order book and enquiries for other products are also increasing, they add.

The lubrication division is now fully reorganised with all three component companies—Ryelands, Unilube and Centralube—under unified management in the same premises at Hereford. All three made a small profit during the period and reduced overheads and improving order books provide a firm base for further progress.

Highway Hire has made progress in establishing the versatility and efficiency of Arrow planners in exacting environments and confidence has now been established with contractors with five large machines fully booked at economic rates, directors say.

Cavendish Petroleum took over some 200 existing wells (mainly gas), in Ohio and these continue to operate successfully. To facilitate additional operations, the company has been successful in negotiating an improved funding operation through the international energy bank.

Substantial finance has also been obtained from other joint venture partners for drilling new wells which should allow the 100 well programme to be implemented in 1983, directors state.

First results of new well drillings have been most favourable.

Halftime fall at Apex Properties

For the half year ended September 30 1982, profit of Apex Properties fell from £347,000 to £275,000, but the interim dividend is being held at 0.7p net per share.

Last October the directors warned that profit for the year ending March 31 1983, would be lower than the £626,000 turned in for 1981-82 because of the loss of a full year's income from St George's Tower, which is being refurbished. They stressed, however, that the 2p dividend would be maintained and covered.

Rents receivable came to £541,000 (£579,000) and interest to £55,000 (£80,000). After tax £143,000 (£161,00) the net profit was £132,00 (£166,000), to which is added this time a £621,000 extraordinary credit. Earnings were 1.23p (1.55p) per share.

English Assocn. holds profit

HALF-TIME profits from the **English Association** showed little change at £909,300, against £916,800. The directors have declared an interim dividend of 1p, compared with the equivalent of 0.91p, and forecast a total of 3p for the year (2.73p).

In the half year activity and profitability in the merchant banking business continued to increase. The policy of retaining a substantial proportion of the capital and reserves in the short term money market has meant that, because of lower interest rates, the income from this source was substantially lower compared with the same period last year.

After tax of £396,700 (£342,300) the net profit came through at £512,600 (£574,500), to give earnings of 5.16p (5.85p) per share. The dividend cost £99,289 (£90,262). For the year ended June 30, 1982, profit was £1.94m before tax of £816,000.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
British Am. & Gen.	...	1.6	April 15	1.56	2.6	2.5
Apex Properties	...int.	0.7	—	0.7	—	2
English Assocn.	......int.	1	April 8	0.91*	—	2.73*
Wiggins Group	......int.	1.25	April 5	1.15	—	3

● **comment**

Subscribers to the £5.1m in rights issues from English Association over the past five years will be disappointed to see the period of outstanding growth replaced by a small downturn in profits in the first half of the current year. Lower short term rates in the money market, together with the costs of establishing Mantrad, the LIFFE broking operation owned jointly with Anderson Man and E.D. and F. Man, are responsible for the profit fall. Mantrad is now breaking even but, with LIFFE a slow starter, any contribution to profits in the second half is likely to be modest. The course of short term rates over the next six months could produce a change of direction in the profit trend, but about half of the group's total now comes from the investment side. With so many imponderables, it is hardly surprising that the shares have already fallen by about 19 per cent from their 12 month peak to 143p. At this level, a p.e. of 6.6 seems a fair judgement of prospects.

Results due next week

THURSDAY should bring some good news from **Imperial Group**, the tobacco, food and brewery conglomerate. The market expects a sizzling 45 per cent increase in taxable profits from last year's £106m to between £150 and £155m for the year ended October 1982. The only black spot will be Howard Johnson, whose profits are likely to show a decline in the second half. Although some market share has been lost in the tobacco division, advertising and labour costs have been trimmed substantially so profitability may well improve. On the food side, the UK and U.S. poultry businesses, which together lost about £15m in 1980-81, have been sold, and the other food businesses have been performing well, particularly frozen foods and Golden Wonder. Over at Courage, John Smith's has been bucking the trend of falling beer volumes. The group has been gaining market share in the take-home trade and prices have firmed up. Finally, there should be a decline in interest charges, reflecting lower interest rates and a cash inflow from disposals. The dividend will at worst be maintained, but a small increase should not be ruled out.

The results of **Lonrho**, due out on Thursday, are likely to show pre-tax profits down from £120m in 1980-81 to an anticipated £85m to £100m for the full year ending on September 30. The primary cause of the downturn is to be found in the mining and refining division, due to the weakness of gold and platinum prices during the 12-month period, although these have subsequently recovered. Low sugar prices on the world market will also depress profits. On the brighter side, engineering profits should be up without Hadfield's steelmaking losses, and with the Zimbabwean devaluation coming after the year-end. The effects of the Mexican devaluation should be softened by soaring hotel occupancy rates there, generate cash for the division, while casinos continue to. The contribution from the House of Fraser (including Harrods) is expected to be lower, while that other source of controversy, the group's borrowing levels, is unlikely to show much substantial change from the figure in the previous balance-sheet, when net borrowings amounted to 51.5 per cent of shareholders' funds.

Forecasts of the results for the first quarter at **BOC Group**, due on Monday, are complicated by changes in accounting and also, perhaps by shifts in the world economic progress. Broadly speaking, it is unlikely that much has changed since the end of the fiscal year in September when opinions were united in predicting a poor result for the first three months of this year. Current forecasts are for a pre-tax total of £22m to £23m for the quarter which compares favourably at first glance with £21.2m last time round. But the 1982 quarter will include the capitalisation of interest on major fixed asset additions, which could have boosted the pre-tax total by up to £4m; there will also be initial contributions from the acquisitions in Japan and the U.S. Analysts will be more interested in hearing the latest news from BOC's U.S. operations, which have contributed as much as 40 per cent of earnings in better times, but plunged sharply last year to bring in less than one fifth. Steel, graphites and welding operations in the U.S. are still likely to look poor, but any upturn in industrial gases will be well taken.

Next week also sees full-year results from the **Securicor Group** on Wednesday, and **Wagon Finance** on Friday.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Aaronson Bros	Thursday	0.2	0.2	0.6
Camford Engineering	Tuesday	—	—	—
Crescent Japan Investment Trust	Tuesday	—	1.5	—
Crest Nicholson	Tuesday	1.15	1.7	1.25
Dew (George)	Thursday	—	—	2.3
General Consolidated Inv. Trust	Wednesday	2.25	4.15	2.4
General Funds Investment Trust	Tuesday	2.5	5.5	2.5
Glasgow Stockholders Trust	Friday	0.95	1.4	1.0
Imperial Group	Thursday	2.75	4.5	2.75
Ladies Pride	Tuesday	1.4	2.0	1.4
Ley's Foundries and Engineering	Wednesday	—	0.5	—
Lonrho	Thursday	3.0	6.0	†4.0
Moorside Trust	Wednesday	1.0	2.5	1.0
Ozalid Group Holdings	Thursday	—	—	—
River and Mercantile Trust	Thursday	2.5	6.0	2.65
River Plate & General Investment Trust	Thursday	1.75	4.75	1.8
Scottish Agricultural Industries	Thursday	5.75	9.0	5.75
Securicor Group	Wednesday	0.36667	0.82	0.4
Security Services	Wednesday	0.75	1.5	0.82
Throgmorton Trust	Friday	2.25	3.75	2.75
Tribune Investment Trust	Thursday	0.8	2.2	0.9
TSL Thermal Syndicate	Wednesday	3.0	4.0	1.0
[illegible]	[illegible]			
Widney	Friday	—	—	—
Yeoman Investment Trust	Wednesday	2.5	4.28	2.5
INTERIM DIVIDENDS				
Amstrad Consumer Electronics	Tuesday	0.935	1.435	
Benn Brothers	Wednesday	1.3	2.9	
Centreway	Tuesday	—	0.1	
Dale Electric International	Thursday	0.7	2.3	
Douglas (Robert M.) Holdings	Friday	0.75	2.75	
Gripperrods Holdings	Friday	1.4	2.1	
Howard Shuttering (Holdings)	Monday	0.535	0.865	
Malaysia Rubber	Monday	1.0	2.5	
Meat Trade Suppliers	Monday	1.75	5.0	
Mid Wynd International Inv. Trust	Thursday	0.5	0.8	
ML Holdings	Monday	2.0	5.0	
Second Alliance Trust	Friday	2.25	7.35	
Stocklake Holdings	Tuesday	3.0	9.0	
United Real Property Trust	Wednesday	1.25	4.75	
INTERIM FIGURES				
BOC Group	Monday‡			

*Dividends are shown net pence per share and adjusted for any intervening scrip issue. † Total of first and second interim dividends. ‡ First quarter

Consortium withdraws from Cope Allman bid

The consortium expected to bid for Cope Allman International said yesterday it does not now intend to make an offer. One of the major partners, the Sharjah Group of Kuwait, announced last month that it was withdrawing.

Cope, with engineering, packaging and leisure interests, had said it was opposed in principle to any bid.

The consortium was headed by Mr David Wickins, chairman of British Car Auctions Group. Other members were Lin Pac, a privately-owned packaging company and Mr Michael Ashcroft's Hawley Leisure.

A renewed bid from a new consortium is thought unlikely in view of the difficulties experienced in putting the original group together.

Mr Louis Manson, Cope chairman, said the company's forecast of an improvement in trading at the beginning of 1983 appeared to be justified by events.

The shareholdings built up in support a possible bid have been spread very widely and Cope does not expect a rush to dispose of them. Sharjah, however, has a holding of just under 5 per cent.

Cope's shares fell 5p to 46p valuing the company at £18.2m.

U.S. success for Anderson Strathclyde

Anderson Strathclyde has completed arrangements to acquire control of National Mine Service Company.

Based on a preliminary count, the number of National Mine shares tendered was 2,888,500 or approximately 59.5 per cent of the outstanding total. Anderson Mavor has accepted for payment and thereby purchased 2.45m shares (the maximum number under the tender offer of $13.10 per share) and ownership of about 51 per cent of the capital of National Mine has been achieved.

MCGILLIVRAY COMPLETES ERSKINE HOUSE PURCHASE

Mr Brian McGillivray, the former Rentokil chief executive who was last week appointed a director and chief executive of Erskine House Investments, has completed his purchase of a 29.9 per cent stake in the company.

The two principal shareholders in Erskine House, Capital for Industry and the Spanish-controlled Solorosa SA, which together owned just over 54 per cent of the company's shares, last week agreed to sell Mr McGillivray an initial 15 per cent stake in the company at a price of 67p.

Mr McGillivray then tendered to buy a further 14.99 per cent stake in the stock market, with Capital for Industry and Solorosa agreeing to sell him the necessary shares if the tender offer failed.

Since Erskine House's share price has stayed above 100p since news of the partial bid was first unveiled, Mr McGillivray's offer was yesterday declared closed and void. Shares closed yesterday at 110p, down 4p on the day.

Following completion, Mr McGillivray will own 953,000 Erskine House shares, half coming from Capital for Industry and half from Solorosa. Erskine House has interests in security services and bureau de change.

ASSOCIATES DEAL

Associates of Mr J. P. Marque on February 3 bought 20,000 Ciro ordinary at 107½p. Mr Marque and associates now hold a total of 475,000 (15.22 per cent).

SECURITY CENTRES

Security Centres Holdings, the burglar and fire alarm group, has made two further acquisitions in Florida which will produce recurring annual revenues of $340,000.

Gibraltar Central Security Corporation, Security Centres' Florida subsidiary, has bought the businesses of Century Alarm Company and Thunder Alarm Company. Security Centres increased its holding in Gibraltar from 40 to 100 per cent only last week.

Security Centres' shares rose 2p yesterday to 330p to value the company at £32.4m.

J. CARR COMPLETES

John Carr (Doncaster) has completed the acquisition of Sharp Bros and Knight from Jenks and Cattell.

The consideration of £1.67m has been satisfied by the issue of 1.13m ordinary shares which have been placed on the vendors' behalf, it is stated.

U.U. TEXTILES

Mr Harvey Michael Ross has increased his holding in UU Textiles to 230,920 shares (5.02 per cent).

Marathon of Texas pays £9m for Chloride offshoot

Marathon Manufacturing Company of Texas purchased through its Marathon Battery Company division the business and assets of Chloride Alcad, a wholly-owned subsidiary of Chloride Group.

Marathon has paid approximately £7.3m in cash on completion for the fixed assets, together with estimated stocks and third-party debtors, net of creditors. This amount will be subject to an adjustment to reflect the amount by which asset values to be audited for the purpose of the completion differ from estimated values.

Marathon will also be taking over the nickel cadmium battery interests of Chloride Inc (a wholly-owned subsidiary of Chloride in the U.S.) and further cash payments of up to U.S.$1.1m (approximately £0.7m) are to be made by Marathon in respect of stocks as these are sold. Not included in the sale are approximately £1.2m of debtors, net of creditors, which will be assumed by Chloride.

Total sum involved including debtors net of creditors to be assumed by Chloride and stocks of Chloride Inc. is therefore approximately £9.2m which relates to a net asset value on completion estimated at £10.2m. After deducting expenses, net proceeds of approximately £9.1m will be used to reduce Chloride bank borrowings.

For the year to March 31, 1982, operating profit of the businesses sold, before deducting interest, management charges and technical aid fees, was approximately £1.5m on a sales turnover of £13.1m.

This was Sir Michael Edwardes' first deal since quitting the chairmanship of British Leyland. He is now non-executive chairman of Chloride.

British Benzoil agrees to buy Fairwood Mining

British Benzoil Carbonizing, the UK's only private sector foundry coke manufacturer, yesterday announced agreement in principal to acquire Fairwood Mining for an initial £363,000. Plans to buy this private company were first mooted in November last year.

British Benzoil will pay for Fairwood, which through subsidiaries owns and operates three drift coal mines, by issuing 3.3m of its own shares at 11p per share. The issue has been underwritten by the English Association.

Over the past two years, British Benzoil has recovered from near collapse. From a pre-tax loss of £2.66m in the year ending in March 1981, the company returned to profit last year, reporting a pretax figure of £184,000.

The company's recovery has come as a result of a board shakeout between January and May 1981, and subsequent closure of its coke plant in the north of England. From its 90,000 tonne a year plant in south Wales, it supplies about 15 per cent of Britain's coke needs.

The group has also achieved substantial increase in market share—all at the expense of Britain's only other coke manufacturer, the National Coal Board.

The initial sum paid to Fairwood excludes any payment for one of the company's three mines—the Old Unemployed Colliery in Glamorgan—so-called because the local unemployed used to dig their own coal there in the late 1800s. Before this mine can be developed, various legal issues concerning rights of way and land ownership have to be resolved. If the mine is eventually developed, British Benzoil will pay a further sum, not exceeding £180,000.

At present the British National Oil Company (BNOC) buys all of Fairwood's coking coal output. British Benzoil has no immediate plans to cancel current contracts. It is nevertheless keen to own "captive" supplies of coal, in case of future needs.

Vantona acceptances still short–Hyman buys more

BY CHARLES BATCHELOR

Vantona yesterday reported a slight increase in the amount of acceptances to its £16m bid for Carrington Viyella on the level of just over 87 per cent on Thursday, but it still remains short of the essential 90 per cent requirement.

Mr Joe Hyman, meanwhile, bought a further 400,000 shares, taking his holding to 12.75m shares, or 7.02 per cent.

Vantona has extended its offer for a final time to Wednesday next, after which it will lapse if the 90 per cent level is not achieved.

Mr Davoud Alliance, Vantona's chief executive, said the company was thinking hard about alternatives to allowing the bid to lapse. "But we have not come across anything yet," he said.

Vantona hopes that the failure of Mr Hyman's High Court petition to block ICI voting its entire shareholding will persuade Mr Hyman to end his opposition to the bid.

Mr Alliance said last night that no meeting with Mr Hyman was planned.

Carrington Viyella's shares were an unchanged 9p yesterday.

See Lex

Major acquisition talks as Yorkgreen halts dealings

Yorkgreen Investments, the lighting products and oil and gas investment group, announced yesterday it is carrying out negotiations to make a substantial acquisition.

Dealings in the company's shares were suspended at its own request at 26p to give a market value of £1.66m. Yorkgreen said it expects the negotiations to come to fruition in about five weeks.

The company expects to announce preliminary results for the year ended October 31 1982 next week. In the six months ended April 30, pre-tax profits rose from £63,463 to £71,208 on turnover of £777,694 compared with £528,278.

Yorkgreen supplies ceiling lighting panels, lenses and louvres through Interlite Linear Controls, while Yorkgreen Oil and Gas has interests in 125 oil wells in North America.

Further backing for Blue Circle from Aberthaw

Blue Circle Industries has received undertakings from the holders of a further 5.29 per cent of the shares of Aberthaw Cement in its £26.5m bid for the company.

Directors and other shareholders holding 414,231 shares or 10.66 per cent of the equity have added their support to Blue Circle's own 26 per cent holding, it announced in the offer document published yesterday.

When Blue Circle first announced the bid on January 26 it had the support of other shareholders with 208,768 shares or 5.37 per cent of the equity.

Aberthaw disclosed that trading conditions in the second half of 1982 had been less favourable than expected at the time of the interim report in October. The board now expects pre-tax profit for the year ended December 31 was not less than £2.96m compared with £3.91m in 1981.

In the first half of 1982, pre-tax profits rose to £1.47m from £993,000.

Blue Circle announced home trade deliveries of cement totalled 3.6m tonnes in the second half against 3.3m in the same 1981 period.

The drive for further cost savings has continued, it said. Overseas most companies traded satisfactorily although second half profits will be affected by further currency devaluations in Mexico and Chile.

The first closing date of the offer is February 28.

SHARE STAKES

Berkeley and Hay Hill—Total holdings of Aries Investments and its subsidiary are now below 5 per cent as a result of a recent disposal of shares.

Star Computer Group—M. D. Btechner, a director, has sold 25,000 ordinary shares. J. W. Schumann, a director, has sold 25,000 ordinary shares.

Shires Investment—Charles Edmund Wilkinson, a director, has disposed of 9,300 ordinary shares from a joint non-beneficial holding.

Sale Tilney — Following a recent purchase, Scottish Amicable Nominees, now hold a total of 353,332 ordinary shares (7.28 per cent).

Davy Corp — R. W. Wright, a director, has purchased 10,000 shares.

Brengreen (Holdings)—F. R. Agar, a director, has sold 25,597 ordinary shares.

Polly Peck not yet implemented textile merger

The boards of Polly Peck and Cornell Dresses have deferred implementation of the acquisition by Polly Peck of the assets of the textile businesses of Cornell. The transaction which was approved by shareholders of the two companies last October, was due to be completed by the end of last month.

The reason is that discussions about the projected merger of Mr Azil Nadir's three quoted companies, Polly Peck, Cornell and Wearwell, have reached an advanced stage. Mr Nadir said yesterday that the textile deals between Polly Peck and Cornell "involves only about £200,000, and is not very material in terms of the merger."

No dates have been fixed, but it is believed that the merger could be announced in about a couple of weeks' time.

MAM PLANS HOTEL SALE

Management Agency and Music plans to sell some of its smaller hotels, but the entertainments concern has no intention of pulling out of the business, the directors state.

Through its Kingsmead chain, which runs nine hotels, the group would like to concentrate on medium-sized establishments. Talks are understood to be taking place concerning the possible sale of the 19 bedroomed Richmond Arms at Goodwood, it is stated.

ROWAN & BODEN

Acceptances of the offers by G. M. Firth (Holdings) have been received in respect of 2,884,621 (71.39 per cent) Rowan and Boden shares, and are now unconditional in all respects.

Firth now holds 96.39 per cent of Rowan. The offers will remain open for acceptance until further notice.

BTG OAKWOOD LOAN

The small companies division of the British Technology Group is investing £20,000 in Charmbay. BTG is providing the company with a five-year Oakwood loan, linked to an option for equity to help expansion.

Set up last year and based at Bromley, Kent, Charmbay is an engineering design company which serves the process plant industry.

The company has "in-house" facilities to handle projects up to £2m capital cost. As part of its expansion, Charmbay is seeking to develop contacts overseas, especially in Denmark.

The loan is being made through the Oakwood scheme, set up by the National Enterprise Board to finance small businesses in England.

EMESS COMPLETES

Emess Lighting has paid the outstanding £50,000 deferred consideration for the acquisition of Tharene, a manufacturer of decorative lighting. The payment has been met as to £37,500 cash and the allotment of 6,918 ordinary shares at 180.7p.

SHARE STAKES

Yorkshire and Lancashire Investment Trust—As a result of an application in the open offer Imperial Life Assurance Company of Canada became interested in 1,073,005 ordinary shares representing 8 per cent of the increased issued ordinary share capital.

Delyn Packaging—Delyn has been notified that the Weiss Family Investments has sold shares so that they no longer hold a 5 per cent interest.

West Coast and Texas Regional Investment Trust—The beneficial owner of 330,000 ordinary shares (11 per cent) acquired recently in the name of Arbuthnot Latham (Nominees) are Intercom Securities.

British Dredging — Colguy Holdings, following further purchases, now owns 3,166,781 ordinary shares (19.12 per cent).

Arenson Group—Archy Arenson, a director, has disposed of 25,000 ordinary shares.

Allied Plant Group — Martyn C. Rose, a director, has acquired 750,000 ordinary shares.

TSW-Television South West — London and Manchester Assurances Co has purchased 350,000 ordinary shares.

RESULTS AND ACCOUNTS IN BRIEF

REED STENHOUSE COMPANIES (Canadian subsidiary of Stenhouse Holdings) — Results for first three months ended December 31 1982: Revenue £32.88m (£25.93m): pre-tax loss £413,000 (£775,000): tax credit £219,000 (£489,000): net loss £434,000 (£527,000) or 2.8p (3.4p) per share.

AFRICAN LAKES CORPORATION (tea rubber planter, general trading)—Results for year ended July 31 1982. Turnover £10.15m (£9.52m): pre-tax profits £200,767 (£441,495): tax credit £15,451 (£124,249 charge): attributable £91,998 (£121,812): dividend 1.1p (same): earnings per share 2.19p (3.86p). Directors say export finance operation in the UK made a profit, but this was more than offset by losses in the advertising agency and initial costs incurred in establishment of personnel

PYKE (HOLDINGS) — Turnover £16.15m for 15 months ended September 30 1982 (£7.74m for year). Pre-tax profit £306,000 (£5,000). Tax credit £3,000 (nil), extraordinary debit £20,000 (nil). Stated earnings per 10p share 13.7p (0.38p on old capital). Dividend of this close company 2.5p (nil for year). Waivers received in respect of 1,447,765 shares.

CAPITAL RESERVE FUND—Results for six months ended December 31 1982: no interim (same), net revenue £31,893 (£15,039) or 2.1707p per share (1.5904p on old capital): NAV per share £15.81225 (£14.08205): figures adjusted for revaluation of investments.

BRITISH AMERICAN AND GENERAL TRUST (investment trust)—Final dividend for 1982 1.6p net (1.575p) for a total of 2.6p (2.5p). Gross revenue

expenses £172,000 (£147,000): interest charges £253,000 (£52,000): net £733,000 (£729,000): preference dividends £31 (same). Net earnings £1.33m (£1.3m) or 2.64p (2.59p) per 25p share. Net asset value 86.4p (69.6p) per share.

THOMAS FRENCH & SONS (maker of curtain styling and specialised electrical heating products) — Results for the year to October 2 1982 reported on January 20. Shareholders' funds £6.06m (£5.86m): fixed assets £2.47m (£2.28m): net current assets £4.09m (£4.04m): decrease in working capital £429,000 (increase £1.18m). Chairman says that demand has improved and he is optimistic that final half profits will exceed those of the whole previous year. He is not in a position to advise on the second half outcome

shares. Meeting: Old Trafford, Manchester, on February 24 at 12.30 pm.

RAEBURN INVESTMENT TRUST — Results for year to November 30 1982 reported January 27. Listed investments £68.66m (£53.71m), unlisted £5.99m (£5.08m). Net current assets £1.49m (£4.23m). Net assets £76.38m (£63.02m). Liquidity decreased £3.13m (£3.47m increase). Meeting: 21, Moorfields, EC, February 25, 2.30 pm.

MATTHEW BROWN (brewer)—Mr Patrick W. Townsend, chairman, told the annual meeting that beer sales in current year were marginally up on previous year. The programme of improving the facilities in tied houses was gathering momentum. On the future, he said there was still no sign of a durable recovery in consumer spending, and the company strategy was to extend the

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Sears Holdings announced a planned £80m merger to create a "new force" in the mail order industry. Sears proposes to set up a company, Newco, to which it hopes **Empire Stores (Bradford)** and **Grattan** will subscribe to compete with Littlewoods, Great Universal Stores and Freemans. Sears, which holds 7 per cent stake in Empire and some 4 per cent of Grattan, is proposing to inject £16m into Newco for which it would receive 20m shares, at 80p each, amounting to a 20.6 per cent stake in the new company. On the basis that each Empire and Grattan share would be exchanged for a share in Newco, former Empire shareholders would control 32.6 per cent and Grattan shareholders 44.2 per cent and an unissued balance of 3.2m shares would be left. First reactions to the proposals saw Empire opposing the deal but Grattan warming to it.

Harold Tillman, owner of Tillman Group, made a bid for **Sumrie Clothes**, the loss-making Yorkshire group. Acting in concert with Mr Harvey Ross, who owns a 29 per cent stake in Sumrie, Mr Tillman, through his company Afcor Investments, bought a 12.34 per cent stake in Sumrie from Equitable Life Assurance at 49.5p per share. Afcor was therefore obliged to make an offer for the outstanding share capital at that price, but when it was learnt that Mr Ross had in the past year paid 65p for some of the Sumrie shares he had bought, Mr Tillman was therefore forced under the City Code to up the offer to 65p per share.

Fleet Street Letter announced details of a reverse takeover which will lead to a change of name to Carlton Communications and a full Stock Exchange listing. FSL has agreed to acquire the media companies Carlton Fox, Carlton Studios, Carlton Television and Carlton Newsletter to be satisfied by the issue of 4.6m new shares. The companies are owned by brothers Mr Michael and Mr David Green. To ensure at least 25 per cent of the new company's shares are publicly held, the Green brothers have agreed to place 800,000 at 115p each, leaving them with just over 50 per cent of Carlton Communication's 7.6m issued shares. Dealings in Fleet Street Letter in the Unlisted Securities Market were suspended on December 8 at 99½p. Providing an extraordinary meeting called for February 24 approves the deal, trading in Carlton Communications will start the next day.

ICI and **Marley** are negotiating a merger between their loss-making PVC processing subsidiaries. A new company called Weston Hyde Products will be formed from ICI Hyde Products and Wallington Weston, the Marley subsidiary. The new company is expected to have sales of about £55m when it starts trading and will have a dominant position in a depressed sector.

Dunlop and **Pegi Malaysia** renegotiated the agreement for the sale by Dunlop to Pegi of its 51 per cent stake in Dunlop Malaysian Industries. Dunlop had originally agreed to sell the whole of its controlling interest in DMI for £73m. The modified deal allows Dunlop to retain half of its stake and to receive £58m cash for 25.5 per cent of DMI after completion, expected at the end of next month.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Aberthaw Cement	699§	570	420	20.10	Blue Circle
Carringtn Viyella	8⅞	9	10½††	16.11	Vantone
Edin & Gen Ins	22	20	13	4.79	Mills & Allen Intl
Green (R.)	121§ §§	131	81	13.93	Beazer (C. H.)
Green (R.)	135*	131	115	16.47	Throgmorton Tst
Highams	75*	75	63	4.55	Largs
Howard Tenens¶¶	65§§	61	64††	10.33	Espley Tyas
Lifeguard Assce	950*	950	407††	7.10	Mult Hlth & Life
Mixconcrete	210*	208	115	19.52	Pioneer Concrete
Rowan & Boden¶¶	60*	58	40	2.42	Firth (G. M.)
Sumrie	65*§	78	70	0.95	Afcor Invs
Sykes (Henry)	37*	36	25	3.18	Alco Standard
UDS	100*	104	89	190.7	Bassishaw Invs

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on February 4 1983. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional. ● Loan stock alternative.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Allen (W. G.)	Sept	205L	(311)L	—	(—)
Brown (John)	Sept	9,400L	(1,200)	—	(1.75)
Centreway Inds	Sept	173	(38)	5.0	(1.0)
Centreway Trust	Sept	100	(19)L	—	(—)
Christie-Tyler	Oct	220L	(739)L	—	(—)
Cowan de Groot	Oct	230	(421)	1.0	(1.0)
Gnome Photo	Nov	121	(127)	—	(—)
Haynes Publshng	Nov	503	(316)	3.5	(3.0)
Hillards	Nov	2,610	(2,220)	1.2	(1.01)
McKay Securities	Sept	883	(823)	1.65	(1.35)
Munton Bros.	Oct	273	(158)	1.5	(1.5)
Oceana Cons.	Sept	89	(40)	—	(—)
Parkfld. Foundrs.	Oct	86L	(15)	—	(0.35)
Peerless	Sept	605	(1,070)	2.1	(2.1)
Ports & Sundrlnd.	Dec	2,490¶	(2,440)¶	—	(—)
Quest Automation	Aug	1,680L	(1,450)L	—	(—)
Ransom (Wm.)	Sept	65	(154)	1.5	(1.5)
Reed Intl	Jan	40,000	(55,700)	—	(—)
Renwick Group	Oct	766	(346)	—	(—)
Stewart Plastics	Oct	1,300	(1,490)	0.66	(0.6)
Textured Jersey	Oct	151	(325)	1.75	(1.75)
Unitech	Nov	2,130	(1,470)	1.54	(1.4)
Vibroplant	Sept	328	(535)	2.63	(5.25)
Wellman	Sept	1,210L	(411)	—	(1.6)
Wholesle Fittings	Oct	1,620	(1,380)	1.33	(1.21)
Zetters	Sept	512	(470)	0.85	(0.85)

(Figures in parentheses are for the corresponding period.)
* Dividends shown net except where otherwise stated. † For 17 months to October 31 1982. ‡ No comparable figure. ¶ For nine months. L Loss.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Allied Textile	Sept	3,200	(3,110)	27.8	(44.8)	7.24	(6.98)
Assoc Fisheries	Sept	1,860	(2,000)	10.0	(7.9)	2.25	(2.0)
Blundell Permglz	Oct	2,020	(2,050)	34.1	(18.6)	6.0	(5.6)
Brooke Tool	Sept	353	(115)L	—	(—)	—	(—)
Bullough	Oct	5,480	(3,450)	34.5	(23.8)	13.5	(10.75)
Crest Intl Secs	Dec	627	(607)	0.9	(1.1)	0.3	(0.25)
Gallaher	Dec	75,100	(80,400)	—	(—)	—	(—)
Hayters	Sept	752	(730)	20.8	(19.2)	10.5	(10.5)
Henlys	Sept	5,910L	(1,920)L	—	(—)	0.1	(6.0)
Kellock Trust	Dec	464	(340)	0.5	(0.6)	0.43	(0.19)
Prestige Group	Dec	5,460	(6,630)	17.8	(21.3)	6.88	(6.88)
Television South	Oct	1,090L†	(—)‡	—	(—)	—	(—)
Westminster Prop	Sept	249	(431)	0.7	(1.9)	0.63	(0.63)

Scrip Issue

Bullough—One for one.

Offers for sale, placings and introductions

Associated British Ports—Offer for sale of 19.6m shares at 112p each.
W. Canning is to float off HB Electronics on the Unlisted Securities Market.
Cardiac Control Systems is seeking to raise about $8m from UK institutional investors through a placing of 1m shares at $7.75 each.
Grainger Trust is joining the Unlisted Securities Market.
Mid-Sussex Water Company is making an offer for sale by tender of £3.25m of 7 per cent redeemable preference stock 1988-90, at a minimum tender price of £100 per cent.

LONDON TRADED OPTIONS

Option		Calls April	Calls July	Calls Oct.	Puts April	Puts July	Puts Oct.
BP (USP 306)	260	54	—	—	3	—	—
" "	280	35	—	—	9	—	—
" "	300	20	30	40	22	23	39
" "	330	5	12	22	40	48	52
" "	360	3	6	—	66	68	—
CGF (USP 554)	420	142	147	—	3	6	—
" "	460	102	112	—	7	13	—
" "	500	63	85	95	20	27	32
" "	550	40	63	65	40	44	54
CTD (USP 85)	70	19	21	23	2	2½	3½
" "	80	10	13	15	3½	5	7
" "	90	4	7	8	8	9	10
CUA (USP 141)	120	24	26	—	2	4	—
" "	130	15	20	—	4	7	—
" "	140	10	12	15	12	15	16
" "	160	4	7	9	25	25	97
GEC (USP 198)	180	28	35	42	6	8	11
" "	197	15	—	—	12	—	—
" "	200	—	22	27	—	20	22
" "	217	6	—	—	23	—	—
" "	220	—	10	—	—	27	—
" "	237	3	—	—	43	—	—
" "	240	—	7	—	—	47	—
" "	260	9	5	—	65	66	—
GMH (USP 343)	240	104	—	—	1	—	—
" "	260	84	—	—	2	—	—
" "	280	64	71	—	3	4	—
" "	300	44	51	—	4	7	—
" "	330	25	30	37	12	18	19
" "	360	8	17	25	28	32	35
ICI (USP 384)	260	128	—	—	2	—	—
" "	280	108	—	—	2	—	—
" "	300	88	98	—	2	3	—
" "	330	58	68	—	4	5	—
" "	360	36	44	50	10	15	18
" "	390	18	30	38	24	30	34
" "	420	8	17	24	48	52	56
LS (USP 294)	240	57	—	—	2	—	—
" "	260	37	43	48	4	7	10
" "	280	22	28	58	8	13	17
" "	300	9	14	21	18	21	24
M & S (USP 212)	160	56	—	—	1½	—	—
" "	180	36	41	46	2	5	7
" "	200	24	30	36	6	11	14
" "	220	12	17	23	15	20	23
" "	240	4	7	—	31	34	—
SHL (USP 408)	360	52	—	—	—	—	—
" "	390	28	36	44	12	15	20
" "	420	14	20	30	30	36	40
" "	460	6	11	—	68	68	—

Option		Calls Feb.	Calls May	Calls Aug.	Puts Feb.	Puts May	Puts Aug.
BSL (USP 433)	350	—	—	—	1	—	—
" "	360	70	80	90	1	5	10
" "	385	—	—	—	2	—	—
" "	390	45	50	60	2	10	17
" "	420	15	30	40	5	22	30
" "	460	—	14	20	—	40	60
IMP (USP 127)	90	38	38	—	0½	1	—
" "	100	28	28	—	0½	1	—
" "	110	18	18	21	1	8	3
" "	120	9	12	10	3	7	9
" "	130	3	7	9	7	13	12
LMO (USP 262)	260	13	35	47	10	17	27
" "	280	5	25	35	22	27	37
" "	300	2	14	23	49	47	52
" "	330	9	8	15	78	72	77
" "	360	9	3	—	102	102	—
" "	390	2	2	—	132	132	—
LNR (USP 97)	60	39	—	—	0¾	—	—
" "	70	29	—	—	1	—	—
" "	80	19	20	22	1	2½	3
" "	90	9½	11	14	1	6	7
" "	100	2½	5½	8	6	19	13
P & O (USP 119)	100	20	25	28	1	2	8
" "	110	10	17	19	1½	5	8
" "	120	4	10	13	4	8	14
" "	130	1	5	9	13	10	23
" "	140	1	3	—	23	25	—
" "	160	0½	1	—	42	44	—
RCL (USP 474)	390	87	—	—	1	—	—
" "	420	57	—	—	2	—	—
" "	460	17	44	55	7	13	23
" "	500	3	29	35	32	35	39
" "	550	2	11	20	80	88	82
" "	600	2	3	2	160	139	132
" "	650	1	2	—	180	182	—
RTZ (USP 542)	330	915	—	—	—	—	—
" "	360	185	—	—	1	—	—
" "	390	155	180	—	1	1	2
" "	420	125	130	130	1	2	6
" "	460	85	95	103	1	5	14
" "	500	45	70	77	4	20	30
VRF (USP 115)		—	—	—	—	—	—
" "	45	9	—	—	0½	—	—
" "	50	55	—	—	0½	1	—
" "	[illegible]	60	—	—	0½	1	—
" "	60	[illegible]	55	—	0½	1	—
" "	70	45	45	46	0½	1¼	—
" "	80	35	35	35	0¾	2	3¼
" "	90	25	25	20½	0¾	5½	7½
" "	100	15	19	98	2	11	12½
" "	110	3	13	19	8	17	18
" "	120	2	8½	14½			

Feb. 4 Total Contracts 1,627 Calls 1,316 Puts 311

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

1982-83 High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
137	120	Ass. Brit. Ind. Ord.	137	—	6.4	4.7	8.0	10.5
154	117	Ass. Brit. Ind. CULS	154	—	10.0	6.5	—	—
74	57	Airsprung Group	57	—	6.1	9.1	7.8	13.1
46	36	Armitage & Rhodes	37	—	4.3	11.6	4.2	7.3
233	197	Bardon Hill	233	+1	11.4	4.9	12.3	15.5
[illegible]	[illegible]	CCL 11pc Conv. Pref.	127	—	15.7	12.4	—	—
270	240	Cindico Group	241	—	17.6	7.3	5.8	11.0
86	59	Deborah Services	65	—	6.0	10.3	3.8	9.2
79	75	Frank Horsell	76xd	—	—	—	6.8	7.0
77	73	Frank Horsell Pr Ord 87	77xd	—	8.7	11.3	6.5	6.8
88	61	Frederick Parker	68	—	6.4	9.5	2.5	8.7
[illegible]	[illegible]	George Blair	35	—	—	—	6.1	12.7
100	75	Ind. Precision Castings	78	—	7.3	9.7	5.6	12.1
[illegible]	[illegible]	Isis Conv. Pref.	128	+2	10.7	11.4	—	—
129	94	Jackson Group	129	—	5.5	5.3	3.3	8.2
173	111	James Burrough	173	—	9.6	5.4	13.1	14.5
[illegible]	[illegible]	Robert Jenkins	270	—	20.0	11.8	1.3	27.3
[illegible]	54	Scruttons "A"	72	—	5.7	7.8	9.5	11.4
167	115	Torday & Carlisle	115	—	11.4	9.9	6.6	13.8
[illegible]	21	Unilock Holdings	25xd	—	0.46	1.8	—	—
[illegible]	71	Walter Alexander	75	—	6.4	8.5	5.1	7.4
263	216	W. S. Yeates	253	—	14.5	5.7	4.7	13.4

Prices now available on Prestel page 48146.

CONTRACTS

£11m NHS work for Costain

Two National Health Service contracts together worth more than £11m have been awarded to **COSTAIN CONSTRUCTION**. The larger is a £9.3m extension to Royal Hampshire County Hospital, Winchester, for Wessex Regional Health Authority. The extension will comprise a 218 bed hospital with four operating theatres, intensive therapy and acute patients day centre, a children's unit, X-ray facilities, accident and emergency department plus a rehabilitation centre, gymnasium and hydrotherapy pool. Construction is of insitu reinforced concrete frame and floors with brick cladding and a slate-covered pitched roof supported by mild steel trusses. The contract will include a two-storey connecting link between the new and existing hospital plus extensive alterations and additions to the kitchens.

Costain Construction has also been awarded a £2m contract to build a health centre at Thamesmead for South East Thames Regional Health Authority. The building will comprise general practitioners' consultation and treatment rooms, a community health department, a dental department, and academic accommodation for Guys Hospital Medical School. The partly two-storey building will be of concrete framed construction up to the first floor, supporting a portal steel framed upper floor and roof.

*

A major refurbishment project in the City of London, involving both design and construction, has been won by **JOHN MOWLEM AND CO.** Valued at more than £5m it is Hillgate House, in Old Bailey, EC4, a 13-storey office block built during the sixties. The client is The City of London Real Property Company, a principal subsidiary of the Land Securities Group. The contract calls for the removal of the existing glass curtain walls and the clearing of the floors, back to the structural frame. Mowlem is to fit bronzed glass and bronzed, anodised aluminium curtain walling, provide roof plant rooms, air-conditioning, toilets and refurbished lifts. Work will start shortly for completion in mid-summer 1984.

*

COSTAIN PROCESS ENGINEERING AND CONSTRUCTION (CPEC) the mechanical, electrical and instrumentation company of the Costain Group, has been awarded a contract worth around £3m by Abu Dhabi Gas Liquefaction Co. for annual shutdown maintenance work on its liquefied natural gas plant on Das Island. CPEC has undertaken periodic planned maintenance on this plant since 1978. The contract covers pre-planning, supply of all maintenance plant and equipment, labour and supervision, and implementation of the overhaul of the LNG process train and plant utilities.

*

Work at Glasgow dental hospital and school heads a list of contracts totalling £1.35m recently awarded to the Scottish region of **JOHN LAING CONSTRUCTION**. Valued at £766,338 the building and engineering works will be executed in 10 separate stages to allow the installation of new dental equipment. Completion, for the Greater Glasgow Health Board, is due in October 1984. At present taking shape in Hamilton, Strathclyde, is a two-storey reinforced concrete frame building totalling 1,600 square metres and containing eight shop shells. Completion of the £355,000 development, for Glass and Lightbody, is due in June.

A £750,000 order to manufacture tunnel linings for Britain's longest navigable canal tunnel has been won by **C. V. BUCHAN (CONCRETE)** of Coleshill, Birmingham. Buchan, part of the Fairclough Construction Group, will supply 900 metres of smooth-bore precast concrete tunnel linings to reline the 177-year-old Blisworth Tunnel on the Grand Union Canal, near Stoke Bruerne, Northamptonshire. The bolted concrete linings, with an internal diameter of six metres, will replace decaying brickwork in the 2,812 metres long tunnel which will be drained before repair work starts. Buchan's order is part of a £4m programme of repairs at Blisworth for the British Waterways Board.

*

Contracts worth over £2m have been awarded to companies in the **LONDON AND NORTHERN GROUP**, mainly in Scotland. T. M. Simpson, Blantyre, has six contracts totalling £366,126. The largest single contract, worth £160,000, is to fit gas-fired warm air boilers to 270 homes for Glasgow District Council. The largest contract in a £898,000 batch won by Simpson McLaren, is to refurbish houses at Parkhead, Glasgow, for Parkhead Housing Association, for £337,000. In north-west England Border Engineering Contractors and its subsidiary William Huddleston and Sons have won contracts worth £60,000. The largest is a £169,484 contract to build a factory unit at Whiteland Trading Estate, Morecambe, for English Industrial Estates.

*

BINNIE AND PARTNERS, consulting engineers, has been appointed by Deutschen Gesellschaft für Technische Zusammenarbeit (GTZ), the West German aid agency, to lead a group of consultants in a feasibility study for water supply and sanitation for Juba, Sudan. Binnie's are in a joint-venture, worth in the region of £200,000, with GKW Consulting Engineers of Mannheim, and assisted by Coopers and Lybrand Associates, management consultants. The report and preliminary designs for the system improvements are to be submitted by November and are to cover sewerage and sewage disposal, stormwater drainage, solid waste disposal and water supply, plus institutional, financial, economic and management aspects. They are to provide for a projected population of 300,000.

*

R. M. DOUGLAS CONSTRUCTION has been awarded contracts worth £3.65m in England and Scotland. The Midland region has won an £850,000 contract from Redditch Development Corpn to build a bus station. In Scotland, Douglas has won £500,000 of work including extensions to the Huntly sewerage works in Grampian and the construction of a warehouse for Magnet Southern, Perth. The north-east region is building a £500,000 extension to Stockton Baths for the Borough Council, and in Wigan a £370,000 sports complex is being built for the Metropolitan Borough. The southern region has £1m of work including a development of 12 industrial units at Severall Lane, Colchester for Slough Estates.

*

FLUOR OCEAN SERVICES, London, has been awarded a design contract worth over £1m for the Ras Fanar Field development project by the Suez Oil Company, worth about £55m. Work includes two well-head platforms in 100 feet of water, subsea pipelines, onshore power plant, crude sweetening facilities, and export facilities. First oil ashore is scheduled for March 1984. The Ras Fanar Field, formerly known as KK-84, is located in the Gulf of Suez near Ras Gharib.

*

WILLETT has been awarded a contract valued at £5.7m for construction of an office block at Basingstoke for Greytown Investments. The building, an L-shaped design, will be eight and six storeys and will incorporate a four-storey car park. The offices will be finished with emphasis on the facing brickwork both externally and internally to the main entrance and service core. Construction starts shortly and completion is scheduled for September 1984.

LADBROKE INDEX
based on FT Index
637-642 (−3)
Tel: 01-493 5261

APPOINTMENTS

Changes at Fairclough

Following the appointment of Mr Oswald Davies as chairman of AMEC he is relinquishing his appointment as chairman of **FAIRCLOUGH CONSTRUCTION GROUP**, but will remain a director. Mr Edwin Garner has been appointed chairman of Fairclough. AMEC is the new company formed to effect the merger between Fairclough Construction Group and William Press Group. Mr Garner joined Fairclough in 1953 and became deputy chairman in 1981. Mr C. I. Bateman, who has been with Fairclough for 15 years and a senior director for the last 10 years, has been appointed a director of AMEC where he will have major responsibilities. He is also to be appointed secretary in place of Mr A. J. Gravelins, who continues as director of AMEC.

*

PLESSEY ELECTRONIC SYSTEMS has appointed Mr John Craen managing director of Plessey Avionics and Communications, part of the communications equipment division. Mr Craen was assistant managing director of Marconi Communications Systems.

*

Mr W. R. Harrison, group treasurer and head of corporate finance at Tricentrol, has been appointed to the board of **TRICENTROL HOLDINGS**, a wholly-owned subsidiary, and the holding company for the group's operations in the U.S. Mr Harrison joined Tricentrol in November 1981 from Lehman Brothers Kuhn Loeb where he had been an investment banker and was previously a senior executive with BNOC from its inception.

*

R. MANSELL has appointed Mr Geoffrey Liddlard as a director of the subsidiary companies. In addition to the Mansell companies, he is also a director of Kirby Maclean, decorating contractors—a wholly-owned subsidiary. Mr Liddiard joined Mansell as financial controller in 1979.

*

Mr David Hutt has been appointed managing director (Europe and the Middle East) for **HERMAN MILLER**. He replaces Mr Steve Snoey at the European headquarters in Bath. Mr Snoey will return to Herman Miller's U.S. head office in Zeeland, Michigan. Mr Hutt joins from Densply, where he was managing director of international operations

*

SERCK HEAT TRANSFER, Birmingham, member of the BTR Group, has appointed Mr Kevin Wilson as sales and marketing director

*

Following the acquisition of D. E. Owen, Bradford, by the Clarkson Puckle Group, Mr David Owen, Mr Michael Bigham and Mr Bob Bushell will join the board of **CLARKSON PUCKLE & TILEY**. Mr Angus Fraser, managing director of Clarkson Puckle & Tiley, has been elected chairman.

*

Mr Jack Alston has retired after nearly 45 years' service with the **LESLIE & GODWIN** Group. He will become a special consultant to the group and retain his directorship of Leslie & Godwin (Holdings) and certain other appointments.

*

P & O CRUISES has appointed Mr Alan K. Langley as deputy managing director. He will retain responsibility as director (fleet).

*

Aircontact AS, a Norwegian airfreight and travel agency group, has appointed Mr Alan Chambers to be managing director of its UK subsidiary, **AIRCONTACT HOLDINGS**, and a director of its several associate air service companies. He replaces Mr Michael V. Rule, who has resigned. Mr Chambers has been with the group nearly seven years.

BASE LENDING RATES

A.B.N. Bank	11 %
Allied Irish Bank	11 %
Amro Bank	11 %
Henry Ansbacher	11 %
Arbuthnot Latham	11 %
Armco Trust Ltd.	11 %
Associates Cap. Corp.	11 %
Banco de Bilbao	11 %
Bank Hapoalim BM	11 %
BCCI	11 %
Bank of Ireland	11 %
Bank Leumi (UK) plc	11 %
Bank of Cyprus	11 %
Bank Street Sec. Ltd.	10½%
Banque Belge Ltd.	11 %
Banque du Rhone	12 %
Barclays Bank	11 %
Beneficial Trust Ltd.	12 %
Bremar Holdings Ltd.	12 %
Brit. Bank of Mid. East	11 %
■ Brown Shipley	11 %
Canada Perm't Trust	11½%
Castle Court Trust Ltd.	11½%
Cayzer Ltd.	11 %
Cedar Holdings	11 %
■ Charterhouse Japhet	11 %
Choulartons	11½%
Citibank Savings	¶ 9 %
Clydesdale Bank	11 %
C. E. Coates	12 %
Comm. Bk. of N. East	11 %
Consolidated Credits	11 %
Co-operative Bank	*11 %
The Cyprus Popular Bk	11 %
Duncan Lawrie	11 %
E. T. Trust	11 %
Exeter Trust Ltd.	12 %
First Nat. Fin. Corp.	13½%
First Nat. Secs. Ltd.	13 %
Robert Fraser	12 %
Grindlays Bank	‡11 %
■ Guinness Mahon	11 %
Gulf G'tee Trust Ltd.	12 %
■ Hambros Bank	11 %
Hargrave Secs. Ltd.	11 %
Heritable & Gen. Trust	11 %
■ Hill Samuel	§11 %
C. Hoare & Co.	†11 %
Hongkong & Shanghai	11 %
Kingsnorth Trust Ltd.	12 %
Knowsley & Co. Ltd.	11½%
Lloyds Bank	11 %
Mallinhall Limited	11 %
Edward Manson & Co.	12 %
Midland Bank	11 %
■ Morgan Grenfell	11 %
National Westminster	11 %
Norwich Gen. Tst.	11 %
P. S. Refson & Co.	11 %
Royal Trust Co. Canada	11 %
Roxburghe Guarantee	11½%
Slavenburg's Bank	11 %
Standard Chartered	11 %
Trade Dev. Bank	11 %
Trustee Savings Bank	11 %
TCB	11 %
United Bank of Kuwait	11 %
Volkskas Intl. Ltd.	11 %
Westpac Banking Corp.	11 %
Whiteaway Laidlaw	11½%
Williams & Glyn's	11 %
Wintrust Secs. Ltd.	11 %
Yorkshire Bank	11 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 8%, 1-month 8.25%. Short-term £8,000/12-months 10.8%.
† 7-day deposits on sums of: under £10,000 8%, £10,000 up to £50,000 8¾%, £50,000 and over 9½%.
‡ Call deposits £1,000 and over 8%.
‖ 21-day deposits over £1,000 9%.
§ Demand deposits 8%.
¶ Mortgage base rate.

Companies and Markets

WORLD STOCK MARKETS

Early firmness on Wall St

NARROWLY HIGHER levels were recorded on Wall Street yesterday, ahead of the Money Supply figures, to be announced after the close. The little support that existed reflected signs that the economy is improving.

By 1 pm the Dow Jones Industrial Average was up 3.59 at 1,065.25, for a net rise of 3.50 on the week, while the NYSE All Common Index, at $83.78, rose 52 cents on the day and a net 40 cents on the week. Advances led declines by a two-to-one majority in a volume of 63.87m shares, up 5.53m compared with 1 pm Thursday.

Analysts said the Stock Market gained some support from news that unemployment in January fell to 10.4 per cent from 10.8 per cent in December, a sign that the economy may be moving out of a recession.

Investors were also encouraged by improved January sales at leading Retailers.

However, analysts warned that a weak Bond Market and concerns about interest rate trends could knock prices lower. The Bond Market remains weak and stocks have generally been moving in step with Bonds all week.

Rails were one of the strongest areas of the market. The Dow Jones Transportation Average further advanced 7.54 to 482.21, making a rise of 21.84 on the week. The industry is expected to pick up considerable extra business during the Truckers' strike.

Gainers in the group included Burlington Northern, up $1½ to $65, Southern Pacific, $2¾ to $46⅞ and Union Pacific $1½ to $47¾.

Pan Am Airways again leads the active list, up $⅛ to $5⅛. International Harvester, which was strong in recent sessions, retreated $⅛ to $5½.

Technology stocks were another strong area. Motorola, which reported higher earnings, climbed $6⅞ to $109½. Honeywell $4⅞ to $91⅞. NCR $4½ to $95⅛. Hazeltine $3⅛ to $54⅛ and Hewlett-Packard $2¼ to $81½.

THE AMERICAN SE Market Value Index put on 3.80 to 364.45, making a rise of 4.56 on the week. Volume, however, decreased 940,000 shares to 5.63m.

Closing prices for North America were not available for this edition.

Canada

Stocks posted some improvements in morning trading with the Toronto Composite Index up 7.4 at 2045.8 around mid-day.

The Gold Share Index rose 29.4 to 5,074.5, Oil and Gas 7.7 to 2,719.0, Banks 2.19 to 397.19 and Papers 1.47 to 172.95. But Metals and Minerals shed 3.5 to 2,018.2.

Central Trust moved up $1½ to $11—it will pay $8m to acquire certain Crown Trust assets that were seized by the Ontario Government.

Germany

Leading shares firm in, at times, lively trading. Dealers said the upward trend continues to be fuelled by Siemens, up DM 5 at 286.2, positive figures earlier this week. News yesterday of Bayerische Vereinsbank's up DM 2.5 at 294, increased dividend—DM 10 (DM 9)—may have prompted some Foreign buying orders for Bank stocks.

The political uncertainty hanging over Stock Markets remains, but the Emnid Institute Poll suggesting the CDU/CSU Parties may win an absolute majority of seats at the March election has improved sentiment.

Prices also were generally supported by a shortage of stock available.

Metals recovered after early weakness on Thursday's round of zinc price cuts.

Degussa slipped DM 1 to 235 after its dividend cut to DM 8 (DM 9).

Switzerland

Domestic shares continued higher amid surprisingly large turnover ahead of the weekend.

Bonds closed steady, with yesterday's stronger dollar having limited impact.

In unofficial trading, Rieter Registered held steady at Fr 2,400 after being down 550 Thursday following a net loss for 1982.

Chemicals were actively traded, with Ciba-Geigy up Frs 55 at 1,750.

Paris

Mixed to lower in quiet trading, but price fluctuations were generally limited.

Investor enthusiasm was dampened by continuing labour unrest in the French Motor Industry, market observers said. Indications that interest rates will remain stubbornly high were also restraining factors.

Peugeot, which hasn't been seriously affected by labour unrest so far this year, rose FFr 6.8 to 141.

In mixed Electricals, Alsthom-Atlantique shed Fr 1 to 140.50, after receiving Government approval Thursday for its planned takeover of Brown Boveri's stake in Cie Electro-Mecanique.

Banks, Financials, Foods, Rubbers and Stores were easier.

Metals were steady, as were Oils. Other sectors were generally mixed.

In Foreigns, Gold Mines were mostly lower, Oils were mixed, while most other shares were steady.

Australia

Prices declined as Industrials were marked down sharply in late trading in further reaction to Thursday's announcement that a General Election will be held March 5.

The All Ordinaries Index ended 12.3 down at 515.8.

There were sharp declines among major Resource stocks, particularly Heavyweight Mines, leading Golds and Oil and Gas issues.

Brokers said Resource stocks fell heavily on concern at the possibility of a Labour Party election victory, with Labour initiatives affecting the Resource sector in particular.

BHP were down 26 cents to A$6.74, Western Mining 22 cents to A$3.78 and MIM 20 cents to A$3.90.

Leading Golds to ease included GMK, down 60 cents to A$10.80, Poseidon 50 cents to A$5.70, Emperor 45 cents to A$2.20, Central Norseman 34 cents to A$9.26 and Peko 14 cents to A$6.26.

Oil and Gas stocks to fall were Crusader, down 30 cents to A$4.00, and Strata 8 cents to 30 cents.

Hong Kong

Stocks closed above Thursday's levels after 2 days of quiet and featureless trading. Investors started to close their books for the Chinese New Year holidays which begin at the end of next week.

The Hang Seng Index was up 7.37 at 895.45, reducing its fall on the week to 4.37.

Tokyo

Higher in erratic trading, with profit-taking alternating with bargain hunting as investors remained cautious.

Anticipation of Oil price cuts also helped bolster Paper-Pulp shares by raising possibilities of cost reductions.

Sumitomo Metal Mining pushed back pressure, but many other Mining shares caved in, due to profit-taking in heavy trading.

The news on oil price cuts pushed up Nippon Oil by 10 to Y985.

Shin-Etsu Chemical bristled in heavy trading in part because of strong sales of electronic materials. Traders said a number of Foreigners were going after Shin-Etsu Chemical shares.

Many Drugs went up. Shionogi rose 18 to Y878 on bright earnings prospects as a result of strong sales of third-generation antibiotics.

Johannesburg

Gold shares sharply easier in very nervous trading, as the bullion price failed to hold above $500 and amid market rumours South African Foreign Exchange Controls on non-residents may soon be abolished.

"Heavyweights" lost up to R7, as in Randfontein at R163, but "lightweights" were mostly above their day's lows. Mining financials and other minings mirrored golds, with Amgold down R7.75 at R152.25.

Indices

NEW YORK · CANADA · DENMARK · FRANCE · GERMANY · HOLLAND · ITALY · NORWAY · SPAIN · SWEDEN · SWITZERLAND · AUSTRIA · BELGIUM/LUXEMBOURG · AUSTRALIA · JAPAN · HONG KONG · SINGAPORE · SOUTH AFRICA

NEW YORK ACTIVE STOCKS

Financial Rand US$0.75 (Discount of 19¼%)

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Calmer trading

Trading was rather dull and uneventful for most of the day in currency markets yesterday. Both sterling and the dollar tended to lose ground from opening levels but still finished up from Thursday's levels. Sterling touched a low of $1.5135 against the dollar on news that Egypt had cut its oil prices by $2. Although Egypt is not a major producer, the cut served to underline sterling's current vulnerability to news on oil prices. However, trading was confined to a range of $1.5135-1.5235 and after opening at $1.5210 and trading for much of the time close to $1.5200, it finished at $1.5190-1.5200, a fall of 55 points from Thursday.

Against the Deutsche Mark it rose to DM 3.7625 from DM 3.7550 and SwFr 3.0950 from SwFr 3.0800. It was also higher against the yen at Y365.5 from Y364.5 and FFr 10.6650 compared with FFr 10.66. The pound's trade weighted index closed at 81.0 compared with 80.9 on Thursday after standing at 81.0 at noon and 81.2 at the opening.

The dollar opened firmer, following an upturn in bond yields in the U.S. However Euro-dollar rates showed very little change and trading fell away ahead of the weekend. The dollar closed at DM 2.4750 from DM 2.4650 and SwFr 2.0350 from SwFr 2.0190. Against the yen it finished at Y240.40 from Y238.75 and FFr 7.02 compared with FFr 6.9925. Its trade weighted index rose to 121.6 from 121.3.

The French franc weakened against the Deutsche Mark within the European Monetary System, prompting the Bank of France to sell Deutsche Marks at the official fixing in Paris. This was generally expected as operators switch out of the weaker EMS currencies ahead of the weekend.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU February 4	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9704	44.9708	—	+1.28	±1.5501
Danish Krone ...	8.23400	8.06913	−2.00	−0.72	±1.6430
German D-Mark	2.33379	2.29753	−1.55	−0.27	±1.0886
French Franc ...	6.61387	6.51460	−1.50	−0.22	±1.3940
Dutch Guilder ...	2.57971	2.52265	−2.21	−0.93	±1.5004
Irish Punt ...	0.691011	0.690329	−0.10	+1.18	±1.6691
Italian Lira ...	1350.27	1320.38	−2.21	−1.52	±4.1389

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

THE POUND SPOT AND FORWARD

Feb 4	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.5135-1.5235	1.5190-1.5200	0.27-0.22c pm	1.93	0.69-0.64 pm	1.75
Canada	1.8630-1.8730	1.8665-1.8675	0.18-0.08c pm	0.83	0.53-0.43 pm	1.03
Nethlnd.	4.11½-4.14½	4.13-4.14	2⅛-1⅛ pm	6.90	6⅝-6⅛ pm	6.17
Belgium	73.40-73.85	73.60-73.70	5-15c dis	−1.63	38-48 dis	−2.33
Denmark	13.19-13.26	13.21-13.22	6¼-7¼ore dis	−6.24	20⅞-22⅞ dis	−6.52
Ireland	1.1280-1.1380	1.1310-1.1330	0.57-0.70p dis	−6.73	1.54-1.76dis	−5.83

THE DOLLAR SPOT AND FORWARD

Feb 4	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.5135-1.5235	1.5190-1.5200	0.27-0.22c pm	1.93	0.69-0.64 pm	1.75
Ireland†	1.3395-1.3460	1.3415-1.3430	0.88-0.78c pm	7.43	2.43-2.23 pm	6.95
Canada	1.2270-1.2305	1.2285-1.2295	0.06-0.09c dis	−0.73	0.20-0.23dis	−0.70
Nethlnd.	2.7175-2.7245	2.7190-2.7200	0.85-0.85c pm	3.97	3.07-2.97 pm	4.44
Belgium	48.43-48.56	48.46-48.48	13-15c dis	−3.47	49-53 dis	−4.21
Denmark	8.6825-8.7200	8.6950-8.7050	4½-5¼ore dis	−6.66	13.3-14.3dis	−6.34
W. Ger.	2.4700-2.4850	2.4745-2.4755	0.67-0.62pf pm	3.13	2.25-2.20 pm	3.59

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

EXCHANGE CROSS RATES

MONEY MARKETS

Credit shortage

UK clearing bank base lending rate 11 per cent

(since January 12 and 13)

Day to day credit was in short supply in the London money market yesterday. Factors affecting the market included bills maturing in official hands and a net take up of Treasury bills −£595m and a rise in the note circulation of £220m, partly offset by Exchequer transactions of £160m. The Bank of England forecast a shortage of £700m which was revised at 10 am to around £800m and again in the afternoon to £850m.

Assistance in the morning totalled £787m and comprised purchases of £72m of eligible bank bills in band 1 (up to 14 days) and in band 2 (15-33 days) £1m of Treasury bills and £306m of eligible bank bills. In band 3 (34-63 days) it bought £33m of eligible bank bills and in band 4 (64-84 days) a further £28m. All bills were purchased at 11 per cent. The Bank also arranged sale and repurchase agreements on £347m of bills at 11-11$\frac{1}{32}$ per cent, unwinding on February 9. Further help in the afternoon comprised purchases of £27m of eligible bank bills at 11 per cent, £2m in band 2, £5m in band 3 and £20m in band 4.

In the interbank market weekend money opened at 11¼-11½ per cent and rose to 11¾-11⅞ per cent before slipping to 10¾-11 per cent. Rates touched 9-10 per cent before finishing nearer 11 per cent with some balances taken at 14 per cent.

LONDON MONEY RATES

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period January 5 to February 1 1983 (inclusive) 11.327 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 11½-11¾ per cent; four years 11¾-11⅞ per cent; five years 11¾-11⅞ per cent. Bank bill rates in table are buying rates for prime paper. Buying rates for four month bank bills 10¾-11⅛ per cent; four months trade bills 11⅝ per cent.

Approximate selling rate for one month Treasury bills 10$\frac{29}{32}$-11 per cent; two months 10$\frac{29}{32}$ per cent; three months 10$\frac{29}{32}$ per cent. Approximate selling rate for one month bank bills 11 per cent; two months 11 per cent; three months 10$\frac{29}{32}$-11 per cent: trade bills 11¾ per cent; two months 11⅞ per cent; three months 11¾ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 11 per cent from February 1 1983. London and Scottish Clearing Bank Rates for lending 11 per cent. London Deposit Rates for sums at seven days' notice 8 per cent.

Treasury Bills: Average tender rate of discount 10.9758 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 11½ per cent; one-three months 11½ per cent; three-12 months 11½ per cent. Under £100,000 11¼ per cent from January 28. Deposits held under Series 3-5 11¼ per cent. The rate for all deposits withdrawn for cash 8½ per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

OTHER CURRENCIES

Feb. 4	£	$		£ Note Rates
Argentina Peso...	83,240-83,280	54,860-54,910	Austria...	26.50-26.60
Australia Dollar..	1.5723-1.5735	1.0565-1.0370	Belgium...	75¾-76¾
Brazil Cruzeiro...	425.54-424.54	278.70-280.09	Denmark...	13.17-13.30
Finland Markka...	8.3636-8.2840	5.4450-5.4460	France...	10.68-10.72
Greek Drachma...	186.864-122.058	83.30-83.80	Germany...	3.74½-3.78½
Hong Kong Dollar	10.08½-10.04½	6.6100-6.6130	Italy...	2140-2175
Iran Rial...	128.40*	85.26*	Japan...	364-368
Kuwait Dinar (KD)	0.442-0.443	0.2918-0.2918	Netherlands...	4.11-4.15
Luxembourg Fr...	73.60-73.70	48.46-48.46	Norway...	10.88-11.00
Malaysia Dollar..	3.4750-3.4900	2.2910-2.2930	Portugal...	140-155
U.A.E. Dirham...	5.5705-5.5760	3.6720-3.6730	Yugoslavia...	114-188

*Selling rates.

FT LONDON INTERBANK FIXING

(11.00 a.m. FEBRUARY 4)

3 months U.S. dollars		6 months U.S. dollars	
bid 9 5/16	offer 9 7/16	bid 9 5/8	offer 9 3/4

The fixing rates are the arithmetical means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

	Latest	Ch'nge on week	Year ago	1982/83 High	1982/83 Low
Cotton Index	76.65c	+0.7	70.60c	79.10c	67.50c
Des. Coconut	£600	+60	£525	£600	£440
Gas Oil Fut. March	$267.25	−6	$280.26	$326	$230.75
Jute LJ ABW C grade	‡	—	£265	£270	£223
Rubber kilo	59.75p	+1.75	48p	59.75p	43p
Sago Pearl	£250w	—	£223	£250	£220
Sisal No. SL	$625/635w	—	$640/660	$640/660	$590/610
Sugar (Raw)	£107wz	—	£170	£177	£82
Tapioca No. 1	£275w	—	£225	£265	£216
Tea (quality) kilo	154p	—	126p	155p	117p
(low med.) kilo	128p	−2	‡	‡	
Wooltops. 64s Warp	400p kilo	+6	381p kilo	402p kilo	362p kilo

‡ Unquoted. (e) Madagascar. (y) March. (z) May. (w) February-March. * Nominal. § Ghana cocoa.

REVIEW OF THE WEEK

African bush fires threaten cocoa crops

BY OUR COMMODITIES STAFF

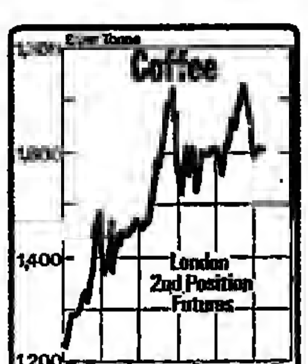
NEWS OF bush fires threatening West African cocoa plantations brought a sharp rise on the London futures market yesterday. Eye-witness reports of widespread crop damage prompted heavy buying. The May position ended up £67 on the day and £95 on the week at a 34-month peak of £1,366.50 a tonne.

The fires have been caused by hot harmattan winds blowing from Spain and the Sahara. Local meteorologists have described this year's winds as the severest for 20 years. Worst hit are plantations in Ghana and the Ivory Coast.

Another "bullish" influence was the publication of the latest cocoa market report by London trade house Gill and Duffus, which forecast that world cocoa production in 1982/83 would fall short of consumption by 78,000 tonnes.

The bush fires were also reported to be affecting coffee crops in the Ivory Coast, but there was little reaction to this on the London futures market. The May quotation ended down £2 on the day and £23.50 on the week at £1,606.50 a tonne.

Resumed Soviet buying of natural rubber boosted physical prices and encouraged speculative buying on the London futures market. The RSS No 1 physical quotation ended 1.25 up on the week at 59.25 a kilo, the highest level since September 1981. In Kuala Lumpur the price rise took the International Rubber Organisation's five-day moving average price out of the buffer stock's "may buy" range for the first time since mid-October.



Gold's break through the $500 an ounce price barrier brought renewed speculative buying interest in the metal markets this week. However, there was considerable uncertainty at the higher levels and markets were unable to sustain the peaks.

Copper prices on the London Metal Exchange advanced to a 34-month peak, with the three months high grade quotation exceeding £1,100 at one stage. Values then eased but three months closed yesterday at £1,091.5 a tonne, still £20.75 up on the week.

Tin also rose sharply helped by continued support buying by the buffer stock of the International Tin Council. Cash tin ended the week £341 up at £8,431 a tonne and seems to have achieved the buffer stock's objective of bringing London into line with the Straits tin price in Penang.

Zinc values lost ground and three producers announced they were cutting their official European list price by $50 to a more "realistic" level of $750 a tonne. The decline in the value of sterling has made LME values more and more competitive with the dollar price quoted by producers. The gap has widened significantly in recent weeks and producers were forced to act in the face of continued poor consumer demand. In response the LME cash zinc price closed £7.75 down on the week at £442.75 a tonne.

BASE METALS

COPPER

ALUMINIUM

Aluminium	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Spot	755-.0.6	−5.5	758-8	−10
3 months	785-.5	−5.5	788.5-5	−10.7

NICKEL

TIN

SILVER

LEAD

ZINC

COCOA

GRAINS

COFFEE

POTATOES

RUBBER

SOYABEAN MEAL

SUGAR

INDICES

FINANCIAL TIMES

Feb. 3	Feb. 2	M'th ago	Ya'r ago
255.40	242.67	240.16	250.56

(Base: July 1 1952 = 100)

REUTERS

MOODY'S

DOW JONES

fob Apl-Jun 132 buyer east coast. Maize: French Feb 147 trans shipment east coast. South Africa white-yellow Mar-Apl 97.50. Barley: English feed fob Apl-Jun 122 east coast.

HGCA—Locational ex-farm spot prices. Feed barley: Eastern 116.60, N East 115.60, Scotland 115.70. The UK monetary coefficient for the week beginning Monday February 7 is expected to remain unchanged.

LONDON OIL

SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.60-28.90	+0.15
Iranian Light	27.10-28.60	−0.15
Arabian Heavy	28.00	−0.85
North Sea (Forties)	28.85-29.00	+0.05
North Sea (Brent)	28.86	—
African (Bonny L'ht)	29.80-30.00	−0.58
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	271-273	−3.0
Gas oil	238-246	—
Heavy fuel oil	148-151	−1.0

GAS OIL FUTURES

With no physical news futures had a very quiet day. Opening lower in line with physicals, prices improved until a rumour that BNOC had cut its crude price weakened values. Short-covering took the market to the highs on the close, reported Premier Man.

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per tonne		
Feb	244.25	−3.50	244.00-42.75
March	237.25	+0.25	237.25-34.00
April	231.50	+0.50	232.25-29.25
May	231.00	+1.30	231.00-27.50
June	230.50	+0.75	230.50-27.75
July	231.50	......	231.50-31.00
Aug	234.25	−0.75	—
Sept	237.00	+1.00	235.00-35.00
Oct	237.00	−3.00	237.00-37.00

Turnover: 1,541 (2,305) lots of 100 tonnes.

GOLD MARKETS

Gold fell $3½ an ounce from Thursday's close in the London bullion market yesterday to finish at $498½-499½. The metal opened at $497½-498½ and rose in line with a firmer silver price to touch a best level of $502-503. However it drifted back during the afternoon on light profit taking.

LONDON FUTURES

Month	Yest'rday's close	+ or −	Business Done
	$ per troy ounce		
February	499.2-500.00	−3.490	501.00-98.0
March	505.00-4.00	−3.250	—
April	507.30-7.50	−1.850	510.00-04.5
May	511.00-1.30	−2.080	—
June	515.40-5.60	−1.100	516.50-15.5
July	518.00-8.80	−2.350	—
August	522.00-2.50	−2.750	—

Turnover: 696 (793) lots of 100 troy ounces.

	Feb. 4		Feb. 3	
Gold Bullion (fine ounce)				
Close	$498½-499½	(£328¼-329)	$502-503	(£329¾-330½)
Opening	$497½-498½	(£327-327¾)	$506½-507½	(£333¼-335)
Morning fixing	$501	(£330.172)	$506	(£333.238)
Afternoon fixing	$498.50	(£328.185)	$503.50	(£330.706)

Gold Coins Feb. 4

Krugrnd	$514½-515½	(£330-330¾)	King Sov	$112½-121	(£78¾-79¾)
½ Krug	$265½-266½	(£174¾-175½)	Victoria Sov	$119½-121	(£78¾-72¾)
¼ Krug	$135¼-136¼	(£89¼-82¾)	French 20s	$102¾-104¼	(£67¾-68¾)
1/10 Krug	$55.56	(£36¼-37)	50 pesos Mex	$598½-600½	(£394½-323½)
Mapleleaf	$512½-514	(£337¾-338¾)	100 Cor. Aust	$486-490	(£320¼-322¼)
New Sov	$117¾-118½	(£77½-78)	$20 Eagles	$590-600	(£388¾-395¼)

AMERICAN MARKETS

NEW YORK, February 4

Gold and silver moved higher early in volatile trading on commission house and local short-covering, yet fears of the Fed tightening in light of the large money supply and signs of economic recovery prompted strong selling late in the session. Cocoa rose sharply on fears of delays of evacuating cocoa from inland to the ports in Ghana and unfavourable growing conditions in major producing areas. Heating oil attracted technical buying in absence of news regarding oil price cuts as the market has been undervalued relative to crude oil acquisition costs, reported Heinold.

NEW YORK

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
March	1902	1903	1855	1815
May	1922	1935	1885	1849
July	1931	1943	1893	1655
Sept	1950	1960	1920	1879
Dec	1975	1979	1940	1900
March	1996	1995	1987	1920
May	2015	—	—	1940

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
March	6.48	6.50	6.34	6.40
May	8.86	6.66	6.57	6.65
July	6.98	7.02	6.93	7.03
Sept	7.34	7.40	7.34	7.40
Oct	7.63	7.63	7.54	7.62
March	8.62	8.63	8.55	8.81
May	8.86	8.65	8.82	8.65

COFFEE "C" 37,000 lb, cents/lb

COPPER 25,000 lb, cents/lb

COTTON 50,000 lb, cents/lb

GOLD 100 troy oz, $/troy oz

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

ORANGE JUICE 15,000 lb, cents/lb

PLATINUM 50 troy oz, $/troy oz

SILVER 5,000 troy oz, cents/troy oz

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

LIVE HOGS 30,000 lb, cents/lb

MAIZE 5,000 bu min, cents/56lb-bushel

PORK BELLIES 38,000lb, cents/lb

SOYABEANS 5,000 bu min, cents/60lb-bushel

SOYABEAN MEAL 100 tons, $/ton

SOYABEAN OIL 60,000 lb, cents/lb

WHEAT 5,000 bu min, cents/60lb-bushel

WOOL FUTURES

STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the five previous days is given with the relevant date.

‡Bargains at special prices. ΔBargains done the previous day. Bargains done with non-member or executed in overseas markets.

CORPORATION & COUNTY

UK PUBLIC BOARDS

COMMONWEALTH GOVT.

FOREIGN STOCKS (coupons payable London)

CORPORATIONS—FOREIGN

BANKS, DISCOUNT

BREWERIES

COMMERCIAL INDUSTRIAL

A—B

Bristol Stadium (5p) 80 (31/1)
British-American Tobacco 5pcPf (£1) 44½
British Amer Tobacco Invest 10pcLn 1990-95 £91½ (2/2). 10¼pcLn 1990-95 £91¼
British Electric Traction 5pcDb £39⅞ (28/1)
British Ever Ready 6pcLn 1992-97 £56½
British Home Stores 7pcPf (£1) 62.

C—D

E—F

G—H

Gnome Photographic Products (10p) 63
Gemma Hldgs 6.75pcPf (£1) 34 (1/2)
Goodwin (10p) 14
Grand Met Hotels (Scotland) 5pcPf (£1) 39 41 (2/2)
Great Universal Stores 5½pcLn £40 (1/2)

I—J—K

L—M

N—O—P

Paterson Jenks 11.8pcPf (£1) 380 1
Paul's and Whites 5½pcPf (£1) 47 (1/2)
Pavilion Leisure Hldgs (10p) 26

Q—R—S

T—U—V

Wire Plastic Products (10p) 41 3
Woodhead (Jonas) Sons 9½pcLn 1969-94 £77 128 (1)
Woolworth Hldgs 10pcLn 1987-89 £101¼
Worthington (A. J.) (Hldgs) (10p) 11 (31/1)
Wyndham Engineering (15p) 71 (31/1)
Xerox Corp ($1) $36
York Trailer Hldgs (10pc) (£1) 70 (31/1)
Yorkshire Chemicals 13½pcLn 1987-92

W—Y—Z

Wagon Indust Hldgs 3½pcPf (50p) 15
Walker Steel Hldgs (5p) 32 (1/2). 9pcLn 1986 £85 (1/2)
Walker (Thomas) (5p) 15½ 6
Warner Communications ($1) $30¼
Wassall (T. W.) (5p) 23 3½ (28/1)
Waverley Cameron 59 61
Weber Hldgs (50p) 503
West Bromwich Spring 11.5Pf (£1) 72 2
West Riding Worsted and Woollen Mills 8pcPf (£1) 42½
Whitecroft 4.1pcPf (£1) 45 ½
Whites (Timothy) 6½pcLn 1963-00 £98. 8pcLn 1966-91 £105
Whittingham (William) (Hldgs) 8pcLn 1992-97 £50 (1/2)
Widney 7pcPf (£1) 26
Willey 9.5Pf (£1) 75½ (31/1)
Wilkinson Riddell (Hldgs) 5pcPf (£1) (Tax Free 1p 30p) 910
Winterbotham, Strachan Playne 6pcPf (£1) 32 (1/2)

OIL

PROPERTY

FINANCIAL TRUSTS

INSURANCE

PLANTATIONS

INVESTMENT TRUSTS

RAILWAYS

SHIPPING

UTILITIES

WATER WORKS

UNLISTED SECURITIES MARKET

MINES—MISCELLANEOUS

Consolidated Gold Fields 7½pcLn 1989-2004 £66. 6½pcLn 1988/93 £77
De Beers Consolidated Mines 40pcPf (R51) (Br) (Cpn 148) £7.80 (28/1). 8pc 2ndPf (R1) 20 (30/1)
El Oro Mining Exploration (10p) 102
Globe Phoenix Gold Mining (13½p) 56 7
M.T.O. (Manpula) OR11 25 (1/2)
Minerals Resources ($B1.40) 512.1 780p 3 5 7 95
North Kalgurli Mines Opt to sub for 1 share 4D ½ 1 ¼ 2
Paringa Mining Exploration (18p) 82 (2/2)
Rio Tinto-Zinc (25p) 496 5½6 7 8 42. 8¼pcLn 1965-90 £75¼ (1/2)

MINES—SOUTH AFRICAN

Anglovaal A (R0.50) £32½ (28/1)
Coronation Syndicate (R0.25) 102
East Rand Proprietary Opt to sub. 72D (1/2)
Eastern Transvaal (R0.50) £13 (31/1)
New Kleinfontein Properties (R0.25) 140 (26/1)
Western Deep Levels Opt to sub $31 (1/2). 12pcDb 1966-93 (R11 46½ (1/2)

RULE 163 (2).

Applications granted for specific bargains in securities not listed on any Stock Exchange

Grampian TV 55 6D (1/2)
Greater Manchester Ind Radio 8 74½ 5 (31/1). Business done on 24/1 should have been shown as 74½ 5
Grendon Tst 11pcLn 1976-82 £104¼ 20 (2/2)
Neill and Woodhouse 6pcDb 1987-90 £64¼ ½ (1/2)
Hill Woolgar 105
Home Brewery 880 5.
Jennings Bros 156 9½ (2/2)
Le Riches Stores 275 (2/2)
MRC Hldgs 18½ ½
Mid Kent Water 2½pcDb £22½ 4 (1/2)
Moss Bros 6pcLn 186D £66½ ¼ (1/2)
Nationwide Leisure 17 1½ 8 (2/2)
Oldham Estates 97 106 (1/2)
Pirelli 7pcDb 1983-88 £72¼ 5 (2/2)
Rangers PC £12 (2/2)
St Austell Brewery 435 (1/2)
Sharon Meat (1/£1) 100 (2/2)
Southern Newspapers 193½ 5
Taddale Invs 50 ½ 1 New 49 ¼ ½ (2/2)
Utd Friendly 283 (2/2)
Weetabix A 62 3 (1/2)
Wirral Estates 300 3 (28/1)

(By permission of the Stock Exchange Council)

RULE 163 (4) (a)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange

ACI Int 760
AGO 8
Aberfoyle 44D
ADrothor Oil and Invs 6 (1/2)
Aemex 38 (26/1)
Acmil 2D (28/1)
Acorn Sec 5D 7 8 ½ 9 60 ½ 1 2
Aeci 37D (28/1)
Agrico Eagle £10p
Algoma Central Rlwy 800 (28/1)
Alliance Oil Dev Aust 50
Amad 2D
American Cyanamid £22¼
American Home Products $US44⅞ (2/2)
American Standard £22⅛ (2/2)
Amopl Exp 87 (1/2)
Amsterdam Rotterdam Bank £10.7 (31/1)
Anglo Utd Dev. 910 88 7 9 90 2
Apex Oil (A$0.25 pd) 10 (28/1)
Ashton Mining 62
Asia Oil and Minerals 17 19 20

Authorised Units—continued

Insurances—continued

Offshore and Overseas—continued

EUROPEAN OPTIONS EXCHANGE

TOTAL VOLUME IN CONTRACTS 8,672

A=Asked B=Bid C=Call P=Put

U.K. CONVERTIBLE STOCK 5/2/83

Statistics provided by *DATASTREAM International*

Name and description	Size (£m)	Current price	Terms*	Conversion dates♣	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv¶	Income Div○	Cheap(+) Dear(−)◇ Current
British Land 12pc Cv. 2002	9.60	264.50	333.3	80-97	4.6	2.0	−0.2	−4 to 3	29.3	85.5	31.2	+21.4
Hanson Tr. 9½pc Cv. 01-06	81.54	212.00	71.4	85-01	4.7	2.5	49.9	48 to 61	63.7	75.8	8.5	−41.4
Slough Ests. 10pc Cv. 87-90	5.03	217.50	234.4	78-84	4.6	—	−9.0	−13 to −3	17.7	9.3	−3.5	+5.5
Slough Ests. 8pc Cv. 91-94	24.72	103.50	97.5	80-89	7.8	7.6	4.1	3 to 15	28.8	34.2	5.4	+1.3

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ○ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ♣ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

هكذا عن الأصل

WestLB regains 35% stake in Preussag

By Our Financial Staff

WESTDEUTSCHE Landesbank, West Germany's third biggest bank, has regained control of a 35 per cent stake in Preussag, the metals and energy group, which it had been forced partly to liquidate in November 1981 in order to help meet its own pressing cash needs.

WestLB, as "house bank" and controlling shareholder of Preussag, had held its stake for many years, but was forced by difficult trading conditions and interest rate pressures to realise some of its industrial assets and to draw down heavily on hidden reserves in the autumn of 1981.

It raised some DM 600m ($267m at the time) by transferring the Preussag holding to a new company, GEV, in which WestLB took 49 per cent, while two other public sector institutions, Hessische Landesbank and Deutsche Girozentrale, took 25.5 per cent apiece.

APPM interim profit halved

By Our Financial Staff

ASSOCIATED PULP and Paper Mills, the Australian forest products group specialising in fine papers, suffered a further decline in profits in the first half of the 1982-83 financial year.

Consolidated profits after tax for the six months to December were down 51.1 per cent to A$2.12m (U.S.$2.1m), from A$4.34m in the same period the previous year. Turnover fell 9.5 per cent to A$162.1m (U.S.$158m).

The setback follows a 14.7 per cent downturn in net profits in 1981-82, to A$17.45m.

North Broken Hill, the Australian mining and investment house, is in the late stages of taking over APPM,

MCI raises capacity with satellite channel purchase

BY PAUL TAYLOR IN NEW YORK

MCI Communications, the fast growing U.S. telecommunications services company which is locked in a fierce battle with the industry giant, American Telephone and Telegraph in the long-distance telephone business, has announced one of the largest ever purchases of satellite channels to ensure future capacity.

The Washington-based company, which last month reported a 109 per cent increase in third quarter revenues to $295m and a 64 per cent increase in net income to $43.6m, said it will purchase half of the channels on two Hughes Communications satellites.

The two satellites, part of the Galaxy Communications System being set up by Hughes, each will carry 24 transponders and are due to be launched in September, 1983, and July, 1984.

Details of the deal have not been disclosed. MCI has said, however, that it plans to spend between $200m and $300m to establish a satellite communications system over the next two years.

Earlier this week MCI announced that it is to purchase 90,000 miles of fibre optic cable from Secor, a joint venture between Siemens of West Germany and Corning Glass of the U.S. Last month MCI announced that it would buy 62,000 miles of fibre optic cable from Northern Telecom.

MCI said that the purchases of fibre optic cable and satellite channels would increase its capacity for data and voice services by nearly 50 per cent.

Hyster closes U.S. plant as fork lift demand drops

BY PETER BRUCE

HYSTER, the U.S. fork lift truck manufacturer, is to close one of its plants and restructure its U.S. operations in the wake of a severe fall in demand.

The announcement from the West's biggest producer of lift trucks, comes a week after a competitor, Eaton Corporation, said it was selling off large chunks of its lift truck business.

Hyster is to close its Portland, Oregon, plant, which makes heavy lift trucks, and transfer production to other U.S. sites. The move will mean the loss of 305 jobs. The decision dose not immediately affect operations in Europe, where Hyster maiotains a significant presence, hut Mr David Evans, marketing director of Hyster Europe yesterday did not rule out rationalisation in Europe.

Half-year fall at Daihatsu

By Yuko Shibata in Tokyo

DAIHATSU, the Japanese subcompact carmaker affiliated to the Toyota Motor Group incurred a 29.5 per cent fall in operating profits to Y2.287bn ($9.5m) in the first half ended December 31.

Unconsolidated net profits were 9.2 per cent lower at Y1.949bn, on turnover of Y195.517bn, up 0.7 per cent. Per share profits were Y5.14, compared to Y5.66.

Central to acquire Crown Trust

BY ROBERT GIBBENS IN MONTREAL

CENTRAL TRUST, a medium-sized trust company based in Halifax, Nova Scotia, will buy most of the assets of troubled Crown Trust of Toronto which were taken over by the Ontario Government to protect depositors.

Central, controlled by financiers Mr Reuben Cohen of Moncton, New Brunswick, and Mr Leonard Ellen of Montreal, will manage the business of Crown for five years under an agreement due to be signed tomorrow.

Crown, with assets of about C$1bn (U.S.$810m), will not take any more deposits.

The Halifax company will pay about C$3m for the fixed assets of Crown, but further financial details of the deal have not yet been revealed. Central will not acquire C$130m of mortgages made by Crown which the Ontario Government has said are not properly secured.

Late last year Mr Leonard Rosenberg of Toronto acquired control of Crown and tried to merge it with a smaller trust company which he controlled. On January 7 the Ontario Government seized Crown and two other trust companies

Barclays buys out professor for R1.5m

By Bernard Simon in Johannesburg

BARCLAYS National Bank, South Africa's largest bank and which is 58 per cent owned by Barclays Bank International of the UK, has extricated itself from the controversial venture which contributed last month to the premature retirement of Mr Bob Aldworth, its managing director.

The bank said yesterday that it has paid R1.5m ($1.4m) to acquire a consultancy and training company owned by Dr Sandra van der Merwe, a Johannesburg business school professor, and her husband. The van de Merwes are prohibited under the deal from competing with Barclays in business consultancy, training services or related fields.

Mr Aldworth admitted last December that a "close personal relationship" had developed between himself and Prof van der Merwe, who was an influential consultant to Barclays on marketing, advertising and training policies.

In September 1982, Barclays paid R1.4m for a 70 per cent stake in a joint undertaking with Dr van der Merwe which they intended developing into a diversified corporate services company, including a travel agency and a public relations unit.

The Aldworth-van der Merwe saga has occupied a substantial part of Barclays' senior managers' time during the past six weeks. Mr Colin Waterson, the new managing director, said yesterday that he was looking forward to giving his full attention to running the bank.

Barclays' financial results for 1982 will be released on Tuesday.

Severe six-month setback for BHP

BY OUR FINANCIAL STAFF

BROKEN HILL Proprietary, Australia's largest company with interests in steel, mining and energy, has reported a 35 per cent fall in interim net profits to A$131.3m (US$127m) from A$203.7m a year earlier.

The main reason for the decline was a plunge into the red at the company's steel making operations, which have come under increasing competition from imports. The division had a loss of A$64.3m against a profit of A$23.2m a year earlier.

On BHP's own inflation accounting system, taking in a fixed asset value adjustment (FAVA), the net profit decline was even steeper.

Group profits fell to A$2.25m for the six months ended November from A$87.5m a year earlier on the FAVA basis. The steel making division reported a loss of A$147m against a loss of A$58.8m on the same basis. Group turnover for the half was A$2.37bn, down 2.1 per cent from A$2.42bn a year earlier.

Because of continuing difficult economic conditions, the company expects its full fiscal 1983 results to May 31 to be well below the previous year's A$150.26m (A$364.54m) without FAVA.

BHP's steel products group, John Lysaght (Australia), showed a post FAVA net profit of A$2.53m in the latest period (A$13.39m pre-FAVA) against the respective year ago profits of A$12.60m and A$21.17m.

The minerals division posted a post-FAVA loss of A$2.50m (A$20.54m profit pre-FAVA) compared with the respective year ago figures of an A$7.25m profit and an A$11.49m profit.

BHP's most profitable sector, the oil and gas division, continued to show solid returns from its operations, based mainly on the Bass Strait petroleum fields operated in partnership with Esso Australia.

The division showed a post-FAVA profit of A$132.16m or A$138.87m pre-FAVA against the respective year ago figures of A$120.43m and A$122.6m.

Improved spreads boost earnings at Bank Leu

BY JOHN WICKS IN ZURICH

NET PROFITS of Bank Leu, Zurich, rose by 6.7 per cent to a record SwFr 31.76m ($15.45m) last year.

The board, which is to recommend an unchanged 16 per cent dividend attributes the earnings rise to improved interest margins, and sharp increases in commission income and profits from trading in foreign exchange and precious metals.

These more than offset slight decreases in earnings on bills of exchange and money market paper.

An 18.5 per cent rise in gross income also more than offset increased provisions for depreciation and provisions against "much higher risks in domestic and foreign credit business."

The balance-sheet total rose by 8.8 per cent last year to SwFr 9.35bn. Leu, the smallest of Switzerland's big five, said that almost half this increase was due to the booking of precious metal accounts.

● Banque Gutzwiller, Kurz, Bungener, a Geneva bank controlled by Bank Leu, improved net earnings by 10 per cent to SwFr 3.52m in 1982.

The bank, whose balance-sheet total rose 14.2 per cent to SwFr 207.3m, intends to pay an unchanged SwFr 50 dividend

Wienerwald creditors to win voting rights

By Our Zurich Correspondent

CREDITORS of Wienerwald Holding, the Swiss parent company of the international restaurant group, are to be offered dividend-rights certificates and voting rights on the board and at annual meetings. This proposal is to be made next Friday at a creditors' meeting near Zurich.

Mr Friedrich Jahn, founder of Wienerwald, will continue to own the shares of the holding company. However, he will transfer the rest of his fortune to the creditors, most of whom are banks.

The holding company itself, which is offering to settle 60 per cent of its debts, will keep only such assets as are needed to continue management of the Wienerwald restaurant chains in Germany and Austria.

The German subsidiary was granted a 40 per cent debt composition in Munich just before Christmas. The Austrian subsidiary has been subject to neither debt settlement nor bankruptcy proceedings.

Arab Asian Bank increases assets by 32%

By Mary Frings in Bahrain

ARAB ASIAN BANK increased after-tax profits by 4 per cent to US$5.3m in its second year of operation, after appropriations to reserves.

Total assets grew by 32 per cent, to $735.3m from $555.7m. Cash and placements with banks increased by 46 per cent to $156.4m. Shareholders' funds rose from $36.6m to $48.8m, representing a $7m rise in capital and a doubling of reserves.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Record-breaking week ends on a more subdued note with 30-share index slightly below all-time high

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Jan 17	Jan 27	Jan 28	Feb 7
Jan. 31	Feb. 17	Feb. 18	Feb. 28
Feb. 21	Mar. 3	Mar. 4	Mar. 14

* "New-time" dealings may take place from 9.30 am two business days earlier.

A record-breaking week for London equities ended slightly subdued yesterday as investors took stock of the situation. Confidence about a world economic recovery and a revival of the international trend towards cheaper money, the main reasons for this week's boom, generated further buying of top-quality industrials, but institutional and other large investors showed a disposition to withhold funds.

The big buyers probably felt that the market's hefty rise would attract profit-taking and that it might be better to delay further purchases until later in the current three-week trading Account. The first leg of the period ended yesterday with the FT Industrial Ordinary share index 20 points up at 644.0—only 2.8 down from Thursday's all-time high of 646.8.

The strong underlying equity tone was intermittently marred by renewed weakness in some of the popular situation and secondary stocks. This continued to reflect fears that profits might need to be realised to cover losses sustained in Australian shares. The rout in the latter continued yesterday following Thursday's surprise news that a snap General Election had been called for March 5.

Government securities again suffered from uncertainty surrounding the sterling exchange rate. U.S. influences prompted a firm opening in Gilts, but yesterday's early weakness in the pound soon brought about a reversal and longer-dated issues went a net ¾ lower.

The absence of any fresh Government funding, earlier thought to be a possibility, came as a relief and, in the after-hours' trade, quotations picked up a little more to close around ¼ down on balance. The shorts moved similarly within a narrower trading range. The overall volume of business was again reduced as funds from interest payments were directed away from Gilts and reinvested in equity markets.

Well supported of late on buying ahead of the forthcoming dividend season, the major clearing banks took a turn for the worse yesterday when it was revealed that Barclays is expected to disclose next month a loss of £23.5m on its U.S. operations in the first half of last year; Barclays fell to 430p before closing 8 down at 432p. Lloyds, with annual figures scheduled for February 18, closed the same amount down at 455p, after 452p, while NatWest also cheapened 8 to 532p and Midland 6 to 332p. Discount Houses made good progress on revived interest rate optimism. Carter Allen put on 25 to 340p and Union 20 to 545p, while Gerrard and National closed 18 better at 358p. Elsewhere, English Association firmed 8 to 143p in response to the interim results. Wagon Finance gained 4 to 49p, but Sturla cheapened 1½ to 8p on profit-taking.

Composites led the retreat in Insurances. Commercial Union, preliminary results scheduled for February 22, finished 7 down at 141p. GRE declined 10 to 430p and Royals 14 to 508p. Elsewhere, Hambro Life closed 4 off for a decline of 18 on the week at 298p following the placing of 13.8m shares in the company by parent Hambros Bank at 285p per share.

Interest tended to fade in the Brewery leaders, with movements usually limited to a few pence either way. Whitbread A hardened a shade further to 153p while, in secondary issues, Border rose 4 to 96p and Wolverhampton and Dudley gained a couple of pence to 292p.

Selected Buildings drew fresh strength from the Government's planned increase in spending on construction work. Barratt Developments put on 8 for a two-day gain of 14 to 470p, while Costain, additionally buoyed by talk that the group's Canadian housebuilding operations were picking up, rose 10 to 212p. AMEC firmed 6 more to 271p, while others to make fresh headway included A. Monk, 4 better at 124p, and William Leech, 5 up at 48p. Wiggins hardened a couple of pence to 82p in response to the good interim results and cheerful statement, while favourable Press comment prompted a gain of 6 to 64p in Conder International. UBM attracted investment support as a line of stock was cleared and the shares rose 4 to 81p. Among Timbers, recently firm Meyer International shed 8 to 126p on profit-taking, but Brownlee put on 9 to 84p following favourable Press comment. Building Materials traded on a quieter note, but still managed further modest progress, Redland hardening 3 to 260p and BPB Industries 5 to 550p.

After recently touching a peak of 406p in the wake of strong U.S. demand, ICI continued to drift back as buyers held off and shed 4 more for a fall on the week of 12 to 384p. Amersham International gained the turn to 265p, while Hickson and Welch put on 8 to 350p, the latter following a broker's circular. Occasional interest in a thin market lifted Arrow 5 to 73p and, reflecting demand that developed late on Thursday, Brent Chemicals gained the same amount to 93p.

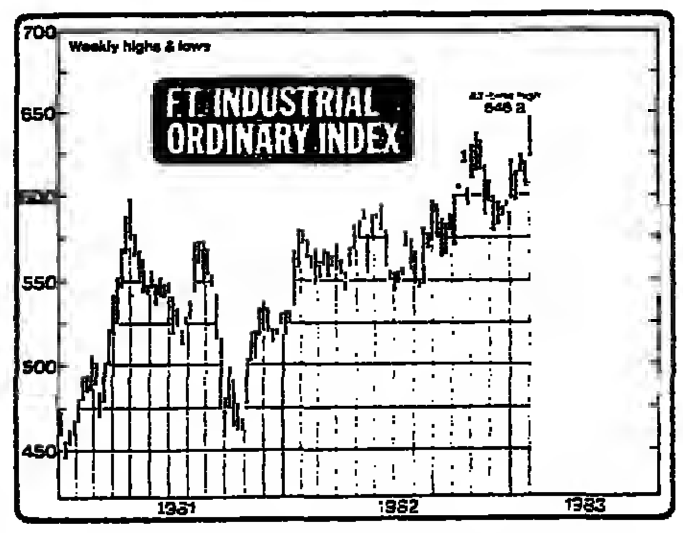
Burton cheapened 5 to 295p and UDS edged forward a penny to 104p on late confirmation that arrangements between the two companies are at an advanced stage for Burton's purchase from UDS of the Richard Shops and John Collier chains, subject to shareholders' approval. Elsewhere in a quieter Stores sector, mail-order concerns, Empire, 84p, and Grattan, 86p, moved up 2 and 4 respectively on further consideration of Sears' merger proposals. Freemans, fearing increased competition should the merger be implemented, dipped 4 more to 78p.

Arlen dip and rally

Arlen gave another erratic but impressive performance in Electricals, falling to 325p initially on profit-taking after cautious comment before rebounding in active trading just before, and after, the 3.30 pm close to end the day 43 higher for a rise on the week of 163 at a fresh peak of 380p. Ward and Goldstone advanced 9 to 68p in response to an investment recommendation and UEI reflected investment buying with a rise of 18 at 323p. Details of the U.S. Robot deal left Rediffusion 5 dearer at 230p, while improvements of 15 and 20 respectively were seen in Security Tag Systems, 615p, and Automated Security, 380p. Breville Europe came on offer and fell 9 to 75p, while profit-taking clipped 22 from Immediate Business Systems at 305p. BICC featured the leaders with a rise of 13 at 265p. After extremes of 600p and 590p, Plessey closed a few pence cheaper on balance at 593p.

In leading Engineers, Vickers, a rising market earlier in the week on nationalisation compensation hopes, came back 4 to 116p. Hawker closed similarly cheaper at 358p, while GKN eased 3 to 135p. Secondary issues recorded the occasional noteworthy improvement. Matthew Hall continued to make progress with a fresh rise of 6 to 194p, while Ransomes Sims put on 8 to 210p. GM Firth, up 13 at 265p, reflected yesterday's late advance in Arlen Electrical. Simon Engineering rose 5 more to 342p and among smaller-priced issues, Redman Heenan gained 4 to 29p. Anderson Strathclyde firmed afresh to 230p before settling a net 4 dearer at 177p making a gain of 17 since the announcement that the company had lost its court action to overturn the decision to allow Charter Consolidated to renew its bid; Anderson announced yesterday that it had successfully completed arrangements to acquire control of National Mine Service of the U.S.

Business in Foods contracted and quotations ended the first leg of the three-week Account on an irregular note. Tate and Lyle, a good market on Thursday on overseas buying, shed 4 to 334p, but recently dull Northern Foods rallied 4 to 192p. Unigate remained on offer and shed 2 for a two-day fall of 6 to 96p. Elsewhere, Bio-Isolates, still reflecting the U.S. share quotation, rose 10 more for a jump on the week of 145 to 430p. Publicity given to a broker's circular lifted Hillards 6 to 218p. G. F. Lovell held at 170p; recent references here to Fenton Hill's controlling interest in the company were in error, Fenton having sold its holdings in Lovell following last November's bid from food industry group Kirby and West.



BTR wanted

BTR stood out among the miscellaneous industrial leaders, rising 14 to 416p on buying ahead of the preliminary figures due early next month. Elsewhere, Valor soared, the ordinary closing 20 higher at 113p and the 5¼ Preference 15 to 110p, after 115p, on the announcement that the company had clinched a £10m gas beater deal in the U.S. A strong market of late following an investment recommendation, United Guarantee rose 5 to 41p, after 43p, on the chairman's purchase of 1½m shares. Meanwhile, cautious comment led to a reaction in recently buoyant Mettoy, the Ordinary losing 8 to 42p and the Deferred 7 to 34p, while Cope Allmann lost 6 more to 45p following the announcement that the consortium bid was off. Still awaiting further details of the bid approach, Bellair Cosmetics succumbed to renewed profit-taking and closed 6 down at 46p. London and Liverpool gave up 20 more to 608p, after 590p, and Staffordshire Potteries ended 7 lower at 39p. After Thursday's jump on news of the planned acquisition of estate agents Druce and Co, Hanover Investments lost 12 to 110p. The interim profits setback and the board's warning about second-half prospects left Broken Hill Proprietary 14 down at 426p.

Selected Motor Distributors made fresh progress. British Car Auction rose 13 for a two-day advance of 20 to 181p, while Henlys, still reflecting favourable comment on the recent results, gained 4 more to 92p. Keep Investment were again actively traded and closed ½ dearer on balance at 21½p, after 19½p, but recently firm Lex Service encountered profit-taking and shed 4 to 174p.

Colour printers Hunterprint held at 130p; the price in yesterday's issue was incorrect.

Leading Properties took recent good gains a stage further before easing back as interest faded to close with small falls on balance. Land Securities touched 297p before settling a penny off at 293p, but still retained a gain on the week of 13, while MEPC closed a couple of pence cheaper on balance at 208p, after 210p. Hammerson A retained a gain of 5 at 700p, while Haslemere Estates put on 10 more to 410p. Among the more speculative issues, Westminster Property attracted a lively two-way business and put on 2 to 31p, but Five Oaks Investment shed 2½ to 23p and Tops Estates 5 to 60p, both on profit-taking. Stewart Nairn closed 3 cheaper at 75p; the company has agreed to acquire a portfolio of properties from Taddale Properties for £2.5m to be satisfied by the issue of 4.9m shares. Pennine Commercial halved to 2½p on the decision to amend the previously announced reorganisation which will lead to a £1.5m rights issue.

Oils a shade lower

Crude oil price uncertainties continued to overshadow the market in Oil shares. The leaders usually traded a shade easier yesterday, but the underlying tone remained relatively steady. Elsewhere, Branon fell 7 to 65p on the half-year loss, but Premier Consolidated firmed 5 to 32p on the significant gas find in Texas. Renewed speculation about the Horndean drilling prompted late support for Carles Capel, up 3 further at 178p, with Hadson rising 5 to 73p and Marinex 7 to 82p.

Among Financials, Aitken Hume were supported and put on 10 to 360p, while other firm spots included Akroyd and Smithers, 6 higher at 277p, and Yule Catto, 5 dearer at 100p. Dealings in Yorkgreend were temporarily suspended at 26½p pending the announcement of reorganisation details.

Briskly traded earlier in the week, Textiles passed another relatively quiet session. Sekers, a particularly good market of late, encountered profit-taking and reacted 3 to 26p while revived offerings left Textured Jersey, 5 down at 63p. Geo. Spencer, in contrast, firmed 2 to 24p and Stroud Riley a similar amount to 95p, while Coats Patons edged up a penny further to 64p.

Australians retreat

Australian mining markets suffered further severe losses as overnight Sydney and Melbourne markets staged another general retreat in the face of fears of a Labor victory in the March 5 Federal election.

The London market opened sharply lower, owing to a general mark-down, and thereafter moved narrowly either way with London prices reported to have closed above their Australian counterparts on hopes of a rally next week.

Nevertheless, double-figure losses were common throughout the list with Uranium issues particularly hard-hit on fears of opposition to uranium mining in the event of a Labor win in the election. Pancontinental, a strong market of late on the company's Paddington gold prospect, dropped 14 to 116p and Peko-Wallsend slipped 17 to 398p.

Among the leading precious and base-metal stocks, GMK fell 20 to 700p, Central Norseman 25 to 598p and Poseidon 26 to 375p, while Western Mining retreated 10 more to 244p. MIM 8 to 248p and CRA 5 to 248p.

Recent speculative favourites took a battering, notably Carr Boyd, down 19 at 126p, after 124p. Aroro Securities, 7 cheaper at 53p, and Enterprise Gold, 6 lower at 39p. Diamond stock Ashton Mining fell 6 to 76p, after 74p.

South African mining issues suffered from profit-taking and disappointment at the failure of the bullion price to hold above $500 an ounce. The metal closed a net $3.5 down at $499, a week's rise of $4.5, after having touched $507.5 on Tuesday.

The Gold Mines Index dipped 8.4 to 668.5, but retained a rise of 19.3 over the five-day period.

Heavyweights were broadly lower. President Steyn gave up £1¾ to £33 and Free State Geduld a point to £34¾ but the cheaper-priced issues managed minor gains. Slimmer and Jack rose 10 to a 1982/3 high of 380p and Vlakfontein 4 to a high of 257p.

Financials were quietly mixed. Profit-taking depressed De Beers, 5 cheaper at 492p, and "Amgold," ¾ easier at £77¾. GFSA, a fraction off at £81½, showed an £11½ jump on the week as the interim results prompted persistent and sizeable Johannesburg buying.

Recent gains in UK equities helped to sustain London Financials, where Gold Fields edged up 5 to 555p.

Business in Traded Options contracted with only 1,627 contracts completed compared with the previous day's 3,152. Calls accounted for 1,316, while only 311 puts were done. Commercial Union were fairly active, recording 253 calls—242 of which were struck in the April 140's.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri Feb 4 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thur Feb 3 Index No.	Wed Feb 2 Index No.	Tues Feb 1 Index No.	Mon Jan 31 Index No.	Year ago (approx.) Index No.	1982/83 High	1982/83 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (208)	435.21	+0.3	9.10	3.94	13.73	434.00	426.73	425.27	420.52	379.78	455.28 (4/11/82)	351.14 (14/1/82)	455.28 (4/11/82)	50.71 (13/12/74)
2	Building Materials (24)	429.39	−0.1	9.83	4.42	12.25	429.95	423.06	417.48	414.90	337.01	429.95 (3/2/83)	299.54 (6/1/82)	429.95 (3/2/83)	44.27 (11/12/74)
3	Contracting, Construction (30)	765.60	+1.0	11.51	4.31	10.36	758.22	747.41	740.84	738.42	595.15	765.60 (4/2/83)	529.58 (6/1/82)	765.60 (4/2/83)	71.48 (2/12/74)
4	Electricals (32)	1601.93	+0.1	7.51	2.16	17.08	1600.16	1578.08	1580.53	1553.18	1283.35	1904.92 (11/10/82)	1205.68 (14/1/82)	1904.92 (11/10/82)	84.71 (25/6/62)
5	Engineering, Contractors (10)	404.52	—	17.33	7.39	7.06	404.65	394.70	391.02	393.10	523.05	523.05 (5/2/82)	391.02 (1/2/83)	523.05 (5/2/82)	64.39 (2/1/75)
6	Mechanical Engineering (66)	206.25	+0.1	11.02	5.66	11.31	205.98	201.55	200.72	198.39	202.62	210.68 (6/9/82)	187.11 (6/4/82)	230.26 (24/4/81)	45.43 (6/1/75)
8	Metals and Metal Forming (11)	167.02	−0.4	13.02	7.45	9.22	167.73	167.45	169.19	167.64	180.50	182.98 (29/1/82)	128.49 (5/10/82)	192.29 (4/5/79)	49.65 (6/1/75)
9	Motors (18)	85.81	−1.1	0.46	7.31	—	86.77	82.56	79.85	79.21	101.90	102.40 (3/2/82)	72.33 (4/10/82)	170.59 (15/1/69)	19.91 (6/1/75)
10	Other Industrial Materials (17)	406.88	+1.9	8.61	5.24	14.45	399.11	389.84	389.28	388.15	410.63	410.63 (5/2/82)	337.32 (9/8/82)	410.63 (5/2/82)	277.55 (15/1/81)
21	CONSUMER GROUP (201)	419.97	−0.2	9.96	4.23	12.18	420.92	414.51	411.57	410.00	297.28	420.92 (3/2/83)	265.59 (5/1/82)	420.92 (3/2/83)	61.41 (13/12/74)
22	Brewers and Distillers (23)	469.08	−0.1	10.77	4.56	11.34	469.33	458.16	457.81	454.70	293.07	469.33 (3/2/83)	261.00 (12/1/82)	469.33 (3/2/83)	69.47 (13/12/74)
25	Food Manufacturing (21)	345.19	+0.3	13.23	5.35	8.86	344.30	341.60	343.58	342.51	285.20	345.19 (4/2/83)	255.63 (21/6/82)	345.19 (4/2/83)	59.67 (11/12/74)
26	Food Retailing (14)	853.99	−0.1	7.46	2.83	16.86	854.86	850.11	850.81	849.97	597.09	915.86 (17/11/82)	545.79 (5/1/82)	915.86 (17/11/82)	54.25 (11/12/74)
27	Health and Household Products (8)	717.98	−0.6	5.49	2.54	21.61	722.60	707.46	705.76	712.13	392.69	743.51 (15/11/82)	338.70 (5/1/82)	743.51 (15/11/82)	175.38 (28/5/80)
29	Leisure (24)	495.15	—	8.32	4.87	15.59	494.98	486.76	486.52	481.11	446.34	495.15 (4/2/83)	395.85 (9/7/82)	495.15 (4/2/83)	54.83 (9/1/75)
32	Newspapers, Publishing (13)	707.88	+0.1	8.73	4.58	15.27	707.07	703.23	700.17	699.12	500.01	710.87 (19/1/83)	472.39 (14/1/82)	710.87 (19/1/83)	55.08 (6/1/75)
33	Packaging and Paper (14)	163.44	−0.6	14.25	6.86	8.24	164.43	161.17	159.64	157.65	145.69	164.43 (3/2/83)	130.74 (5/1/82)	164.43 (3/2/83)	43.46 (6/1/75)
34	Stores (47)	364.83	−0.6	8.30	3.77	15.97	367.81	361.46	352.99	349.97	271.67	397.17 (19/11/82)	238.02 (5/1/82)	397.17 (19/11/82)	52.63 (6/1/75)
35	Textiles (23)	188.48	+0.4	12.64	5.69	9.63	187.67	183.25	181.85	179.70	168.77	188.48 (4/2/83)	152.91 (5/1/82)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	515.33	−0.2	17.02	5.38	6.49	516.31	512.86	503.91	503.40	308.16	516.31 (3/2/83)	251.28 (6/1/82)	516.31 (3/2/83)	94.34 (13/6/62)
39	Other Consumer (11)	367.67	+1.2	2.29	3.78	—	363.38	362.24	361.21	360.90	280.52	367.67 (4/2/83)	247.87 (1/1/82)	367.67 (4/2/83)	229.84 (28/9/81)
41	OTHER GROUPS (77)	311.30	+0.2	10.96	5.26	10.97	310.76	307.65	307.37	306.45	260.49	311.30 (4/2/83)	228.88 (5/1/82)	311.30 (4/2/83)	58.63 (6/1/75)
42	Chemicals (15)	409.40	−0.3	12.04	5.91	9.87	410.75	404.68	403.08	406.86	349.39	411.60 (28/1/83)	297.89 (5/1/82)	411.60 (28/1/83)	71.20 (1/12/74)
44	Office Equipment (5)	98.58	−1.2	11.23	5.80	10.98	99.81	100.11	100.79	100.51	131.35	131.88 (29/1/82)	78.52 (22/12/82)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping and Transport (13)	540.54	+0.6	16.03	7.87	7.43	537.51	529.79	532.88	533.51	587.26	587.26 (5/2/82)	496.46 (10/12/82)	644.76 (24/4/81)	90.80 (29/6/62)
46	Miscellaneous (44)	443.24	+0.7	8.95	4.10	13.61	440.11	437.30	437.09	430.58	321.16	443.24 (4/2/83)	289.92 (5/1/82)	443.24 (4/2/83)	60.39 (6/7/75)
49	INDUSTRIAL GROUP (486)	411.34	—	9.80	4.26	12.48	411.36	405.16	403.10	400.62	320.70	411.36 (3/2/83)	289.79 (5/1/82)	411.36 (3/2/83)	59.01 (13/12/74)
51	Oils (14)	704.03	−0.5	17.96	8.21	6.56	707.29	704.92	704.80	712.79	684.59	792.72 (22/10/82)	627.13 (10/3/82)	1065.24 (19/11/80)	87.23 (29/5/62)
59	500 SHARE INDEX	435.49	−0.1	10.92	4.81	11.10	435.78	429.92	428.04	426.45	350.38	437.01 (7/1/83)	324.63 (12/1/82)	437.01 (7/1/83)	63.49 (13/12/74)
61	FINANCIAL GROUP (121)	297.06	−1.0	—	5.95	—	300.08	294.76	293.29	293.89	259.62	300.08 (3/2/83)	238.23 (28/6/82)	300.08 (3/2/83)	55.88 (13/12/74)
62	Banks (6)	309.73	−1.7	32.56	7.79	3.36	315.09	308.75	306.24	304.83	284.23	315.09 (3/2/83)	249.31 (4/10/82)	315.09 (3/2/83)	62.44 (12/12/74)
63	Discount Houses (8)	283.39	+4.0	—	8.61	—	272.39	271.24	271.24	270.71	235.66	334.35 (14/10/82)	211.15 (7/1/82)	334.35 (14/10/82)	81.40 (10/12/74)
65	Insurance (Life) (9)	369.03	−0.8	—	5.19	—	371.84	362.26	359.49	365.48	258.76	371.84 (3/2/83)	243.18 (12/1/82)	371.84 (3/2/83)	44.88 (2/1/75)
66	Insurance (Composite) (10)	202.20	−2.1	—	7.03	—	206.58	205.03	203.67	206.80	160.15	206.80 (31/1/83)	147.23 (20/5/82)	206.80 (31/1/83)	43.96 (13/12/74)
67	Insurance Brokers (7)	564.88	−0.3	11.36	4.83	12.25	566.85	562.54	567.62	561.18	438.39	584.97 (20/10/82)	410.59 (13/1/82)	584.97 (20/10/82)	65.86 (16/12/74)
68	Merchant Banks (13)	168.91	+1.0	—	5.11	—	167.18	166.50	165.51	164.67	153.56	168.91 (4/2/83)	128.79 (5/7/82)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (54)	445.79	—	5.79	4.02	22.81	445.95	434.86	434.03	433.57	461.66	468.36 (11/3/82)	378.29 (26/11/82)	517.77 (2/4/81)	36.01 (20/4/65)
70	Other Financial (14)	217.25	−1.3	12.86	5.42	9.23	220.13	215.71	214.90	210.65	189.08	220.13 (3/2/83)	157.25 (16/8/82)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (109)	399.85	+0.7	—	4.20	—	397.09	395.54	397.49	396.55	317.24	399.85 (4/2/83)	283.53 (6/1/82)	399.85 (4/2/83)	71.63 (13/12/74)
81	Mining Finance (4)	275.93	+0.6	7.44	5.15	18.00	274.31	272.65	274.88	271.65	241.43	275.93 (4/2/83)	169.40 (21/6/82)	296.26 (14/8/81)	66.31 (30/9/74)
91	Overseas Traders (16)	439.77	−0.6	11.35	8.23	11.64	442.55	436.85	435.20	432.58	436.30	442.55 (3/2/83)	327.29 (21/6/82)	488.51 (18/5/81)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	402.34	−0.2	—	5.00	—	403.02	397.61	396.17	395.02	329.93	403.02 (3/2/83)	306.22 (12/1/82)	403.02 (3/2/83)	61.92 (13/12/74)

FIXED INTEREST

	PRICE INDICES	Fri Feb 4	Day's change %	Thur Feb 3	xd adj. today	xd adj. 1983 to date
	British Government					
1	5 years	116.60	−0.01	116.61	—	0.98
2	5-15 years	124.02	−0.46	124.60	—	1.62
3	Over 15 years	130.06	−0.42	130.61	—	0.14
4	Irredeemables	134.89	−0.81	135.98	—	0.00
5	All Stocks	123.43	−0.32	123.83	—	1.01
6	Debentures and Loans	99.24	+0.01	99.23	—	0.64
7	Preference	76.03	+0.27	75.82	—	0.72

	AVERAGE GROSS REDEMPTION YIELDS		Fri Feb 4	Thur Feb 3	Year ago (approx.)	1982/83 Highs	1982/83 Lows
	British Government						
1	Low Coupons	5 years	9.21	9.14	12.57	13.49 (5/1/82)	7.89 (2/11/82)
2		15 years	10.82	10.72	13.52	14.28 (5/1/82)	9.25 (11/11/82)
3		25 years	11.09	11.00	13.30	14.17 (12/1/82)	9.47 (2/11/82)
4	Medium Coupons	5 years	11.75	11.65	15.29	16.41 (12/1/82)	9.89 (11/11/82)
5		15 years	11.94	11.86	15.05	16.10 (5/1/82)	10.32 (3/11/82)
6		25 years	11.53	11.48	14.48	15.46 (12/1/82)	10.01 (19/10/82)
7	High Coupons	5 years	11.91	11.83	15.35	16.30 (8/1/82)	9.96 (3/11/82)
8		15 years	12.12	12.03	15.19	16.28 (5/1/82)	10.55 (2/11/82)
9		25 years	11.70	11.62	14.85	15.76 (12/1/82)	10.14 (2/11/82)
10	Irredeemables †		11.01	10.91	12.95	13.64 (12/1/82)	9.31 (3/11/82)
11	Debs & Loans	5 years	12.75	12.76	16.24	17.07 (12/1/82)	11.11 (12/11/82)
12		15 years	12.83	12.83	16.06	16.85 (12/1/82)	11.35 (12/11/82)
13		25 years	12.90	12.89	15.94	16.72 (12/1/82)	11.49 (15/11/82)
14	Preference †		13.13	13.16	15.58	16.24 (11/1/82)	12.24 (12/11/82)

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Other Financial	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Engineering Contractors	31/12/71	153.84	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	162.74	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72

† Flat yield. A new list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price p	+ or −	Net Div.	Times Covered	Gross Yield	P.E. Ratio
‡108	F.P.	13/1	204	140	✠Baltic Leasing 5p	204	+2	b2.8	5.5	2.0	16.1
	F.P.	—	10	12	✠Booth (Charles) 5p	16	.....	—	—	—	—
‡100	F.P.	22/4	105	100	Br. Kidney Pat. As.	105	.....	—	—	—	—
¶315	100p	32.4	84	42	Britoil 10p	42	−5	bP.9	1.2	3.0	8.7
‡74	F.P.	21/1	159	105	✠Canvermoor	148	.....	b3.64	8.0	3.5	16.8
85	F.P.	7/1	133	98	✠GarfunkelsRest.10p	113	−1	b1.86	3.2	2.3	14.7
‡17	F.P.	81/1	35	24	✠Inn Leisure 5p	34	−1	ud.42	3.7	1.8	17.0
‡130	F.P.	14/1	190	155	✠Memory Comp Ir10p	183	.....	bQ28.6%	5.6	1.8	19.3
‡190	F.P.	4/3	388	330	✠Microgen	350	.....	b4.0	8.9	1.6	20.8
§155	F.P.	7/1	255	200	✠Munford & White	992	−5	b2.6	9.4	1.7	55.1
‡‡	F.P.	—	177	148	✠NMW Computers	158	.....	g3.0	2.6	8.7	18.7
‡93	F.P.	4/3	198	145	✠Resource Tech.10p	177	−5	—	—	—	64.0
‡82½	F.P.	21/12	150	102	✠SlatersFoodPrds10p	147	−5	b2.0	5.8	1.8	15.5
120	F.P.	—	125	105	✠Swindon Priv Hos £1	105	—	—	—	—	—
‡10½	F.P.	—	70	10	✠Tops Estates 10p	60	−5	—	—	—	—
‡150	F.P.	18/2	340	265	✠WightCollinsR-a10p	278	.....	bd2.75	5.2	1.4	51.0
—	F.P.	3/3	25	22	Yorks & Lancs. W'rrnts	23	+1	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price £	+ or −
‡‡	F.P.	—	90	89	Anglo-Nordic 10% Cnv. Uns. Ln. 1989	90	.....
87.504	£25	4/3	38¼	15½	BOC 12¼% Uns. Ln. 2013-17	17¼	−¼
88.431	£20	10/4	21⅞	13	Birmingham 11½% Red. 2012	13½	−⅛
‡	£10	24/3	11¼	11	East Surrey Water 7% Red. Pref. 1988	11	.....
‡‡	F.P.	—	130	86	European Inv. Bk. 11% Ln. 2009	87	−¼
—	—	—	99	99	Nationwide Bdg. Soc. 11⅞% Bds. 28/1/84	99	.....
97.174	£25	6/5	34¼	29	Pearson (S) 13% Uns. Ln. 2007	33¼	+¼
96.55	£25	8/7	35⅛	25½	Sweden 13½% Ln. Stk. 2010	25	+¼
‡‡	F.P.	18.9	90	85	Transconl. 9% Cnv. Rot. Uns. Ln. Nts. 1995	88	.....

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date ●	Latest Renunc. date ■	1982/3 High	1982/3 Low	Stock	Closing price p	+ or −
250	Nil	—	—	25pm	23pm	AGB Research 10p	85pm	.....
26	F.P.	28/1	18/2	348	94	Arlen Elec.	233	−15
90	F.P.	28/1	18/2	122	108	Bellway	122	+2
50	Nil	8/2	9/2	5pm	½pm	Clufl Oil 'B'	½pm	.....
90	Nil	—	—	54pm	43pm	Grosvenor Group	43pm	−5
60	F.P.	14/1	11.2	78	65	ICL	74	−2
46	Nil	14/2	11/3	11pm	5pm	LCP	11pm	+1
27	Nil	—	—	5½pm	5pm	Mount Charlotte 10p	5pm	.....
93	F.P.	7/3	21/3	118	108	NAS News 10p	118	.....
58	F.P.	2/3	29/4	66	61	Stakis 10p	66	+1½
470	F.P.	11/1	11/2	810	523	Wolseley-Hughes	810	+10

Renunciation date usually last day for dealing free of stamp duty. Fr French Franc. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. r Indicated dividend; cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend; cover based on previous year's earnings. N Dividend and yield based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. ● Figures or report awaited. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. ☐ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ✠ With warrants. †† Dealings under special Rule. ✠ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Formerly dealt in under special rule.

FINANCIAL TIMES STOCK INDICES

	Feb. 4	Feb. 3	Feb. 2	Feb. 1	Jan. 31	Jan. 28	Year ago
Government Secs.	77.46	77.91	77.18	77.25	77.08	77.07	[illegible]
Fixed Interest	79.72	79.70	79.22	79.03	79.07	79.71	[illegible]
Industrial Ord.	644.0	646.8	632.2	628.4	629.7	629.5	[illegible]
Gold Mines	668.5	676.9	673.3	699.0	677.0	648.3	[illegible]
Ord. Div. Yield	4.76	4.73	4.84	4.85	4.88	4.88	[illegible]
Earnings, Yld.% (full)	10.20	10.14	10.40	10.45	10.47	10.44	[illegible]
P/E Ratio (net) (*)	11.78	11.84	11.54	11.51	11.40	11.50	15.99
Total bargains	27,440	31,853	25,064	26,616	25,280	[illegible]	[illegible]
Equity turnover £m.	—	381.38	397.92	304.77	335.51	311.26	159.00
Equity bargains	—	24,899	23,848	25,069	27,217	24,886	15,085
Shares traded (mi)	—	202.0	201.6	193.1	164.6	199.1	109.6

10 am 648.8. 11 am 646.6. Noon 643.7. 1 pm 643.3. 2 pm 643.3. 3 pm 644.0.

Basis 100 Govt. Secs. 15/10/26. Fixed Int 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

* Nil = 10.96.

Latest Index 01-246 8026.

HIGHS AND LOWS

	1982/3 High	1982/3 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	85.84 (1/11)	61.69 (8/1/82)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.02 (17/11)	62.79 (7/1/82)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	646.8 (3/2/83)	518.1 (8/1/82)	646.8 (3/2/83)	49.4 (26/6/40)
Gold Mines	699.0 (1/2/83)	101.2 (22/6)	699.0 (1/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Feb. 3	Feb. 2
—Daily		
Gilt Edged Bargains	158.8	150.9
Equities Bargains	181.3	184.8
Value	568.7	692.2
5-day Avrge		
Gilt Edged Bargains	167.9	187.1
Equities Bargains	168.8	157.1
Value	578.4	561.4

LEADERS AND LAGGARDS

Percentage changes since December 31, 1982 based on Thursday, February 3, 1983.

Office Equipment	+ 23.30	Other Groups	+ 8.75
Gold Mines Index	+ 21.64	Leisure	+ 6.85
Insurance (Composite)	+ 18.22	Food Manufacturing	+ 6.56
Packaging and Paper	+ 16.44	Mechanical Engineering	+ 6.43
Tobaccos	+ 16.08	Chemicals	+ 6.09
Mining Finance	+ 15.88	All-Share Index	+ 5.44
Insurance Brokers	+ 15.81	Consumer Group	+ 4.76
Banks	+ 13.79	Brewers and Distillers	+ 4.35
Metals and Metal Forming	+ 13.60	Insurance (Life)	+ 4.18
Overseas Traders	+ 13.60	Industrial Group	+ 3.70
Newspapers, Publishing	+ 12.80	Contracting, Construction	+ 3.67
Motors	+ 12.09	500 Share Index	+ 3.31
Financial Group	+ 11.89	Shipping and Transport	+ 2.17
Investment Trusts	+ 10.84	Capital Goods	+ 1.66
Other Industrial Materials	+ 10.00	Oils	+ 0.82
Merchant Banks	+ 9.84	Food Retailing	− 0.64
Textiles	+ 9.47	Stores	− 3.21
Health and H'sehold Products	+ 8.99	Electricals	− 5.77
Other Consumer	+ 8.73	Engineering Contractors	− 6.15
Property	+ 7.91	Discount Houses	− 6.40
Building Materials	+ 6.86		

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Jan 24	Feb 4	May 5	May 16
Feb 7	Feb 18	May 19	May 31
Feb 28	Mar 11	June 2	June 13

For rate indications see end of Share Information Service

Money was given for the call of Lightning Ridge, Samantha, Hampton Trust, Polly Peck, May and Hassell, Combined Technology, GEC, Lonrho, Geo. Wimpey, J. Wilkes, London and Liverpool, Premier Consolidated, Racal, Stewart Nairn, South West Resources, Smith St. Aubyn, Babcock International, First National Finance, Abwood, Hong Kong Bank, Barker and Dobson, Imperial Group, Strata, Tate and Lyle, Keep Investment and Grovebell. Audiotronic and Dunlop were dealt in for the put, while double options were arranged in Polly Peck, Grovebell, Lonrho and Premier Consolidated.

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the Week Rises	On the Week Falls	On the Week Same
British Funds	1	88	7	103	185	111
Corpns Dom & Foreign Bonds	26	3	46	86	52	237
Industrials	311	272	784	1,882	923	3,862
Financial & Props	168	76	289	887	373	1,329
Oils	20	28	61	102	138	310
Plantations	3	5	34	27	0	78
Mines	23	73	46	276	228	249
Others	82	29	42	323	214	223
Totals	634	584	1,231	3,732	2,118	6,399

NEW HIGHS AND LOWS FOR 1982/3

NEW HIGHS (147)

AMERICANS (6)

CANADIANS (4)

BANKS (1)
Kleinwort Benson

BEERS (3)
Brown (M.) · Macallan Glenlivet
Clark (M.)

BUILDINGS (16)
AMEC · I.D.C.
BPB Inds. · Lawrence (W.)
Bellway · Monk (A.)
Breedon Lime · Nottingham Brick
Brownlee · Redland
Countryside · Do. Warrants
N.A.T. Group · Roberts Adlard
Higgs & Hill · Wilson (Connolly)

CHEMICALS (2)
Arrow Chems. · Scot. Ag. Inds.

STORES (1)
Executex

ELECTRICALS (10)
Arlen Elec. · Hemokinetics
Automated Sec. · Humberside
Cable & Wireless · Motorola
FKI Elec. · Security Tag Systems
Fobel · U.E.I.

ENGINEERING (4)
And'son Strthclyde · Evered
Camseal · Howden Group

FOODS (4)
Banks (Sidney C.) · Hillards
Bio-Isolates · Single

HOTELS (2)
Queens Moat 10¼pc Cnv. · Ladbroke

INDUSTRIALS (23)
Applied Computer · Hollis Bros.
Assoc. British · Johnston Group
BTR · R.F.D. Group
Borg-Warner · Reckitt & Colman
Brown Boveri Kent · Transcon. Services
Cont. Stationery · Utd. Guarantee
Dalgety · Valor
Dom Hldgs. · Vinten
Ferguson Ind. · Watsham's
Hanson Trust · Whitecroft
Do. 9½pc Cnv. · Wolseley-Hughes
Newley Group

INSURANCES (2)
Liberty Life SA · Sun Life

LEISURE (2)
Boosey & Hawkes · Leisure Inds.

MOTORS (4)
Arlington Motor · Hanger Invs.
Brit. Car Auction · Jessups

PAPER (4)
Benrose · Causton
Brunning Res. Vtg. · Fitch & Co.

PROPERTY (4)
Cap. & Counties · Hammerson A
Country & N. Town · Haslemere

SOUTH AFRICANS (2)
Rex Trueform A · Unisec

TRUSTS (42)

OIL & GAS (2)
Caledonian Oil · ICC Oil
Nadson Pet. Int.

PLANTATIONS (1)
Assam Dooars

MINES (3)
Slimmer & Jack · Angloyaal
Grootvlei · Sentrust
Vlakfontein

NEW LOWS (7)

STORES (1)
Freemans

ELECTRICALS (1)
Greville Europe

INDUSTRIALS (4)
Ashley Ind. · Dyson (J. & J.)
Polymark Cnv. · Do. A

SHIPPING (1)
Milford Docks

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Arlen Elec	380	+43	Polly Peck	£36½	−¼
Barratt Dev	470	+8	Stewart Nairn	75	−3
Costain	212	+10	UEI	323	+18
International Pet.	240	+25	Utd Guarantee	41	+5
London & Liverpool	608	−20	Valor	113	+20
Mettoy	42	−8	Westminster Prop	31	+2

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs close	Day's change	Stock	No. of changes	Thurs close	Day's change
Arlen Elec	33	337	+75	Tate & Lyle	14	288	+10
Bio-Isolates	26	420	+55	Keep Inv	13	20½	+2½
London & Liv	23	628	−30	Nthrn Gold	13	135	+14
Carless Capel	17	175	+16	BAT Inds	12	740	+8
Plessey	17	596	+21	Combined Tech	12	75	−3
Racal Elec	15	479	−18	Lloyds Bank	12	463	+13
Erskine House	14	114	−11	Beecham	11	335	+10

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Thurs. close	Change on week	Stock	No. of changes	Thurs. close	Change on week
London & Liv	166	628	+123	Mettoy	69	50	+23
Arlen Elec	143	337	+123	Glaxo	67	£14¼	−¼
Bio-Isolates	119	420	+135	Mallins	67	184	−12
Imed Bus Syst	83	327	−67	Combined Tech	66	78	+4
ICI	83	388	+19	SelecTV	65	60	+10
Racal Elec	78	479xd	+30	Erskine House	63	114	+8
Plessey	70	596	+48	De Beers Dfd.	60	497	+57

Stakis rights

The £8m rights issue by Stakis has been almost fully subscribed. Acceptances have been received in respect of some 93.7 per cent of the 13.9m new shares offered at 58p each.

Shares not taken up have been sold at a premium over the issue price of about 9.7p per share.

Lucas Industries

Following the report of the winding up of Nascom Microcomputers last week, we have been asked to point out that Lucas Logic Limited, part of Lucas Industries, is operating the business of Nascom as a result of a purchase, including the trade name, in 1981.

[illegible]

هكذا من الأصل

INSURANCE & OVERSEAS MANAGED FUNDS

London Indemnity & Gnl. Ins. Co. Ltd

London Life Linked Assur. Ltd.

London & Manchester Gp.

M & G Group

Manufacturers Life Insurance Co.

Merchant Investors Assurance

Multiple Health and Life Assur. Co. Ltd.

NEL Pensions Ltd.

National Provident Institution

New Zealand Ins. Brit. Insce. PLC

Norwich Union Insurance Group

NPI Pensions Management Ltd.

Pearl Assurance (Unit Funds) Ltd.

Phoenix Assurance Co. Ltd.

Pioneer Mutual Insurance Co. Ltd.

Planned Savings Group

Premium Life Assurance Co. Ltd.

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capitol Life Assc. Co. Ltd.

Provident Mutual Life Assc. Assn.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited

Refuge Investments Limited

Reliance Mutual

Royal Life Insurance Ltd.

Save & Prosper Group

Schroder Life Assurance Ltd.

Scottish Amicable Investments

Scottish Equitable Life Assce. Soc.

Scottish Mutual Assurance Society

Scottish Widows' Group

Skandia Life Assurance Co. Ltd.

Standard Life Assurance Company

Sun Alliance Insurance Group

Sun Life of Canada (UK) Ltd.

Sun Life Unit Assurance Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Windsor Life Assur. Co. Ltd.

OFFSHORE AND OVERSEAS

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bridge Management Ltd.

Britannia Intl. Investment Mngmt. Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

Capital International Fund S.A.

Charterhouse Japhet

Cornhill Ins. (Guernsey) Ltd.

Delta Group

Drexel Burnham Lambert

Dreyfus Intercontinental Inv. Fd.

Eurobond Holdings N.V.

Fidelity International

Fleming Japan Fund S.A.

Frankfurt Trust Investment-GmbH

Gartmore Fund Managers Ltd. Agents

Gartmore Fund Managers (IOM) (a)

Granville Management Limited

Hambros Fd. Mgrs. (C.I.) Ltd.

Henderson Baring Group

Hill-Samuel & Co. (Guernsey) Ltd.

International Pacific Inv. Mgmt. Ltd.

Jardine Fleming & Co. Ltd.

Kleinwort Benson Group

Lloyds Bank (C.I.) U/T Mgrs.

Lloyds Bank International, Geneva

M & G Group

Murray, Johnstone (Inv. Adviser)

Phoenix International

Quest Fund Man. (Jersey) Ltd.

Royal Bank of Canada Funds

Save & Prosper International

Schroder Mngt. Services (Jersey) Ltd.

Singer & Friedlander Ldn. Agents

Strategic Metal Trust Mngrs. Ltd.

TSB Trust Funds (C.I.)

Tokyo Pacific Holdings N.V.

Tyndall Group

Unico Invest Fd Mgt Co SA Lux

S. G. Warburg & Co. Ltd.

Warburg Invest. Mngt. Jrsy. Ltd.

Wardley Investment Services Ltd.

World Wide Growth Management

Wren Commodity Management Ltd.

NOTES

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked & Variable Rate

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

LOANS—Continued

Financial

Building Societies

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS & HIRE PURCHASE

BANKS & H.P.—Cont.

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued.

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

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TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

Central African

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
250	75	Falcon Rh.50c	250	.....	Q25c	10.3	7.0
33	18	Wankie Col. Z$1	20	.....	†Q3c	1.2	10.2
28	12	Zam.Cpr.SBD0 24	26	.....	—	—	—

Australians

[illegible]

Tins

[illegible]

Miscellaneous

[illegible]

NOTES

[illegible] ... estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.
Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv. 20p	48	.....
Bertrams	17¢	.....
Bdg'wtr. Est. 50p	480	.....
Craig & Rose £1	£12½	.....
Finlay Pkg. 5p	31	.....
Graig Ship. £1	£22	.....
Higsons Brew	105	.....
Holt (Jos) 25p	880	.....
I.O.M. Stm. £1	100xd	.....
Pearce (C. H.)	£12	.....
Peel Hldgs.	160	.....

IRISH

Exch. 15oc 1983	£100	.....
Nat 9¾% 84.89	£80⅝	−⅛
Fin. 13% 97.02	£91⅞	−1¼
Alliance Gas	115	.....
Arnott	188	.....
Carroll (P.J.)	82	+1
Concrete Prods.	90	.....
Heiton (Hldgs.)	16	.....
Ins. Corpn. Ireland	360	.....
Irish Ropes	26	.....
Jacob	80	.....
T.M.G.	90	−5
Unidare	43	.....

OPTIONS

3-month Call Rates

[illegible]

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 26

FINANCIAL TIMES

Saturday February 5 1983

MAN IN THE NEWS

Cabinet's likeable Scrooge

BY MAX WILKINSON

MR LEON BRITTAN, Chief Secretary to the Treasury, is often described as a disarming man. In the past year, certainly, he has removed an impressive collection of weapons from spending ministers who might otherwise have created nasty explosions in Cabinet. He displayed an unblinking eye for auspicious bulges in colleagues' spending portfolios with a famed courtesy and persuasiveness about the need to contain overall spending to leave room for tax cuts.

Now, after two years in a job which demands Dickensian parsimony, Mr Brittan has

Leon Brittan

managed to remain, not only charming, but also very generally liked. Last June, in the preliminary sparring for the year's public spending round, he was faced by departmental bids for 1983-84 which came to £7bn more than the target agreed by the Cabinet.

This week, however, with the publication of the spending White Paper, he was able to announce a planning total for next year which was £2bn *below this target*—despite the cost of a small war.

This success in settling every disagreement *out of court* was in marked contrast to his experience in less-favourable circumstances in the previous year. He was promoted to be the Treasury's first lieutenant in January *1981* on the day of his wedding celebration. But an alliance of wet and damp ministers was already becoming mutinous. After a tough Budget, they let out a collective howl of pain at the sight of the Treasury's knife and Mr Brittan eventually had to give them a £5bn increase in total spending plans above the published target.

So how did he achieve a reduction this year? Some of it represented accounting changes; and the rapid fall in the inflation rate also helped departments to trim their estimates.

However, his personal style has also had a great deal to do with it, particularly his rapidity in argument and a near-enthusiasm for the excruciating detail of departmental accounting. Like his long-standing friend, Sir Geoffrey Howe, the Chancellor, he seems to need less sleep than the average British working man and colleagues say that by 7 a.m. he is hounding at the day's task. By his own account, he enjoys the intellectual "jig-saw" of the spending negotiations, the bidding and counter-bidding and the "different tactics needed to suit the sort of person one is dealing with."

At 43, he is the youngest member of the Cabinet and more generally known as a tireless speechmaker in favour of a "Thatcherist" line on economic policies. Critics say that he picks up his brief with perhaps too much of the ease and assurance of an ex-barrister.

At Cambridge he was said to have been a *mildly self-important* president of the Union getting a first in English as well as in law. His continued interest in poetry, painting and music may account for the vividness in his debating style, although his set speeches are less sparkling. They have been more extensively reported than those of the Chancellor, however. He is the brother of Sam Brittan, the Financial Times's economic commentator. Perhaps by contrast, he has been accused of over-simplicity in expounding economic verities. He replies that the language of persuasion needed to get things done is one thing, and more complex private uncertainties altogether another.

But how, through all this, has he managed to combine one of the toughest jobs in the Cabinet with being newly married? "Oh well," he says "I do sometimes take briefs into the bedroom."

Water talks to reopen as strike nears third week

BY PHILIP BASSETT, LABOUR CORRESPONDENT

WATER AUTHORITY employers and leaders of the industry's 29,000 manual workers will reopen pay negotiations tomorrow in an effort to settle the all-out national water strike as it enters its third week.

The resumption of direct negotiations — the first for almost two weeks—was agreed yesterday by the unions and the National Water Council following the disclosure by Mr Len Hill, chairman of the employers' negotiating committee, that a further £5-£10 per week on earnings was available. This would be on top of the £10 arising from the current offer of 7.3 per cent over 16 months.

It was hoped that talks could have begun yesterday following Mr Hill's statement. But after *informal contact* with both sides, the Advisory, Conciliation and Arbitration Service (Acas) proposed that negotiations restart tomorrow *morning* under the chairmanship of Mr Pat Lowry, Acas chairman.

The talks will centre on proposals to push up earnings through more flexible working and improved productivity. Some union leaders, however, insisted that if these were the basis of an improved offer, a deal was unlikely. But others were more responsive.

The effects of Mr Hill's disclosure continued yesterday. Employers' negotiators were working hard to frame an offer which would yield further earnings of this size.

Both the Government and employers tried to some extent to draw back from Mr Hill's figures. Water council officials said such sums would not necessarily be earned by all water workers involved.

Mr Tom King, Environment Secretary, suggested that there had been a "misrepresentation" of Mr Hill's statement. The figures were "pretty well known" and were referred to in the report on the dispute by the Acas-appointed mediator, Mr Ian Buchanan.

But although the broad areas of discussion could be inferred from the Buchanan report and from guarded unofficial reports of discussions this week between Acas, the employers and the unions, Mr Hill was the first to put figures to the proposals.

This was stressed by Mr David Basnett, general secretary of the General, Municipal and Boilermakers' Union, which is the largest union representing the manual workers.

He said Mr King's claim that an offer similar to that mentioned by Mr Hill had already been made was "totally untrue." Mr King's intervention was "singularly unhelpful." Each intervention was more disastrous than the last.

Water unions reported that members' attitudes were hardening as a result of the confusion over what was likely to be on offer.

Leaders of 2,000 Scottish water workers, not yet involved in the strike, yesterday agreed to support any call from union national executives to call out their members on strike.

About 21,000 properties in England and Wales are now without mains water, and about 7m people are boiling supplies before use. Water workers in further areas, including parts of the North-East, yesterday withdrew emergency cover.

Sir Terence Beckett, Confederation of British Industries director-general, said the strike showed up Britain's failure to invest adequately in water supply and sewerage systems.

● Striking water workers yesterday rejected pleas to restore supplies to an old people's home where three woman have contracted gastro-enteritis.

The 68 old people, 25 of them housebound, at Sherwood Court home for the elderly, Kirkby-in-Ashfield, Notts, have been without water since last Saturday. Volunteers are bringing in supplies in buckets.

The workers say they will not repair a burst main until management stop using supervisors and white collar staff to do strikers' jobs.

Mr John Wood, the environmental health director, said: "This infection is spreading through the home and is getting serious." A fourth resident is suspected to have gastro-enteritis.

Nalgo warning on strike-breaking, Page 4

Thatcher and Kohl stress 'zero option' commitment

BY STEPHANIE GRAY

CHANCELLOR Helmut Kohl of West Germany and Mrs Thatcher yesterday emphasised their commitment to President Reagan's "zero option," which proposes banning all U.S. and Soviet *land-based medium range* nuclear weapons in Europe.

The Chancellor was in Britain briefly for talks at Chequers on defence and arms control.

At a press conference after their meeting Mrs Thatcher and Dr Kohl underlined the wide measure of agreement between them on defence and trade problems.

The two leaders said the zero option was not "a take-it or leave-it proposal." Any agreement at the arms control negotiations now going on in Geneva would have to be firmly based on the principle of balance in the number of weapons systems held by the U.S. and the Soviet Union.

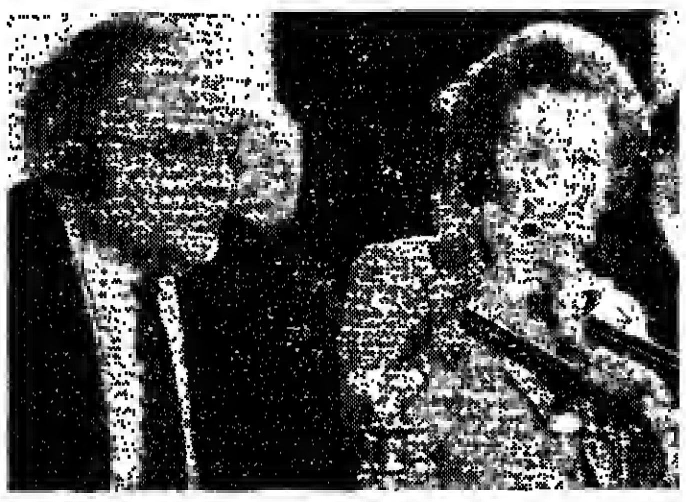
The zero option was "far and away the best solution to the problem of intermediate nuclear arms control" and there was "no question whatever of allowing the Soviet monopoly in this class of weapons."

Britain's independent submarine-based Polaris system would, by definition, continue to be excluded from the Geneva negotiations, Mrs Thatcher said.

Dr Kohl said he had full *confidenc in the Americans* who were carrying out negotiations "in all seriousness and with great resolution." He said Bonn was constantly informed on the course of the talks.

"*We want the negotiations to* be successful, but if success is denied we will deploy the cruise and Pershing missiles," he said.

The two leaders also agreed that a *summit meeting* between



Dr Kohl and Mrs Thatcher at a Press conference after their Chequers talks

President Reagan and Mr Yuri Andropov, the Soviet leader, would be helpful on condition that the meeting was properly prepared.

They differed, however, on last month's Warsaw Pact proposals for a non-aggression treaty with Nato.

Bonn believes a non-aggression pact should be linked to a withdrawal of Soviet troops from Afghanistan and the whole question of Soviet intervention in the affairs of its East European allies.

Mrs Thatcher, on the other hand, was highly sceptical about the proposal, saying that non-aggression treaties had failed in the past and that the UN charter was a binding pact to avoid aggression between member states.

The Prime Minister said that she and Dr Kohl had also agreed *in their talks that it was essen*tial to maintain the open trading system and to reduce the strains upon it.

"We agreed that Japan must continue to make her market more open and thus shoulder her responsibility for a full contribution to an open trading system," she said.

Mrs Thatcher said she and Dr Kohl had agreed that trade problems between the EEC and the U.S. should be settled by discussion and negotiation rather than by confrontation.

● Chancellor Helmut Kohl said yesterday he would visit Moscow soon if returned to office in West Germany's general election next month, Reuter *reports from Bonn. In* a radio statement, Herr Kohl said it was important "to hold open and direct talks with our most powerful and, in the light of the division of Germany, our *most* important neighbour."

£100m Texaco refinery for Wales

BY CARLA RAPOPORT

TEXACO is building a £100m refinery in South Wales to meet the increase in demand expected for low-lead petrol. Between 760 and 1,000 workers will be required for the peak construction phase.

The decision comes only weeks after Shell announced plans to build a £56m low-lead refinery in Cheshire. Both projects come at a time when output from traditional refineries is close to a record low.

Texaco said yesterday the new refinery would go alongside an *existing facility* in Pembroke, South Wales, which is operating at about half its capacity.

Both Texaco and Shell's new refineries are being built in response to a government directive that the amount of lead in petrol be reduced by January 1986. Texaco said the magnitude of investment needed to meet government regulations underlines the need for stronger petrol prices and for higher profitability from oil-based products.

The Government bowed to health and environmentalist pressure last May and declared that the legal limit in petrol should be cut by two-thirds. The permitted level will fall to 0.15 grammes per litre in 1986 from the current level of 0.4 grammes.

The oil industry estimated in May that it would have to spend about £80m on new plant to supply the increased demand for low-lead petrol. Shell and Texaco's facilities will cost almost twice that amount, arousing further ire within the industry at a time of continued weakness in the petrol market.

Texaco Limited, which is the UK arm of Texaco in the U.S., lost around £100m last year. The company remains in loss this year because of the continued weakness in refining and marketing operations.

Esso and BP, which also have a significant portion of the UK petrol market, said yesterday they were unlikely to build separate facilities to produce low-lead petrol, but would redesign existing facilities to accommodate the new demand.

Texaco has yet to award the construction contract for the new refinery. The unit is expected to have a rated capacity of 35,000 barrels a day.

Site clearance started late last year and the refinery is expected to be finished by the end of 1985.

● Petrol prices were raised recently by the major operators in the market, but it appears *the increase is not sticking*. The new official price is around £1.69-£1.70 for a gallon of four-star petrol, but in many areas petrol can still be bought for £1.65.

Texaco said the price had to be £1.80 if losses were to be stemmed. The industry estimates that it is losing £50m to £60m a month on petrol sales.

Pressure mounts on BNOC Page 3

Continued from Page 1

Miss World

will be manufactured and sold.

In December, Mr and Mrs Morley exercised an option to buy a two-thirds stake held by Belhaven, the Scottish brewing and leisure company.

The purchase was achieved through a holding company, JEM, which also runs the Come Dancing programme. JEM will be the company to be quoted on the unlisted securities market.

U.S. pledges initiative on chemical weapons ban

By Bridget Bloom, Defence Correspondent

A U.S. initiative which could lead to an international convention to ban production, storage and transfer of chemical weapons has been promised by Mr George Bush, the U.S. Vice-President, who is on a 12-day tour of Western Europe, mainly to discuss arms control.

Mr Bush, who yesterday also met senior Soviet arms-control negotiators in Geneva, told the 40-nation Committee on Disarmament there that the U.S. would soon present a new document to the committee.

This would contain "our detailed views on the content of a convention we believe could effectively eliminate the chemical weapons threat."

According to European diplomats the U.S. initiative could give a much-needed impetus to talks on banning chemical weapons. It is seen as particularly significant because it is the first time the Reagan Administration has committed itself publicly to the multilateral negotiation of such a bank.

The U.S. move is seen partly as a response to Western European pressure for greater U.S. flexibility on arms control generally and partly as a response to a Soviet draft convention tabled at the Disarmament Committee last summer.

The Soviet Union then accepted the possibility of on-site inspection of production facilities and stockpiles of chemical weapons. Mr Bush stressed yesterday that effective verification was vital to any chemical weapons convention. There exists a ban only on the use of chemical weapons, under a 1925 Geneva protocol.

The U.S. maintains that the Soviet Union used chemical weapons in South-East Asia and says Moscow's stockpiles of such weapons are much greater than those in the U.S.

What effect the new moves will have on the Reagan programme to produce new chemical weapons in the U.S. is unclear. The programme was refused funding by Congress last year but has been resubmitted.

Mr Bush yesterday met leaders of the Soviet delegations to the two sets of nuclear weapons-control talks in progress in Geneva.

Afterwards he described the two-hour session as extraordinarily worthwhile. He had asked the two Soviet diplomats to convey to Moscow that the U.S. was deadly serious about negotiating arms deals with the Soviet Union.

Earlier Mr Bush told the Disarmament Committee that President Reagan's zero option proposal in the medium-range, or intermediate nuclear forces, talks was not a "take-it-or-leave-it proposition."

China, U.S. to renew military talks Page 2

Weather

UK TODAY

SHOWERS with some sunshine.

London, S.E. England, Midlands, E. Anglia

Sunny intervals, showers developing, becoming wintry.

E., N.E. England, Borders

Showers, perhaps heavy and prolonged. Max 5C (41F).

S.W., N.W. England, Wales, S. Scotland, N. Ireland

Squally showers, wintry in places. Max 5C (41F).

Rest of Scotland

Outbreaks of rain, sleet and snow, then frequent snow showers. Max 3C (37F).

Outlook

Sunny intervals and snow

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	12	54	L. Ang.†	F	10	50
Algiers	S	16	61	Luxmbg.	F	1	34
Amsdm.	S	5	41	Luxor	S	21	70
Athens	S	9	48	Madrid	F	10	50
Barclna.	C	12	54	Majorca	C	16	61
Belfast	C	3	37	Malaga	S	16	61
Belgrd.	C	0	32	Malta	C	10	50
Berlin	F	2	36	M'chstr	C	2	35
Biarritz	R	9	48	Melbne	S	22	72
Bmghm.	F	1	34	Mx. C.†		—	—
Blackpl.	C	1	34	Miami†	S	11	52
Bordx.	C	11	52	Milan	S	8	46
Boulgn.	S	4	39	Montrl.†	C	−4	25
Bristol	F	3	37	Moscow	S	−2	28
Brussels	S	4	39	Munich	C	−2	23
Budpst.	F	2	36	Nairobi	F	26	79
Cairo	C	16	61	Naples	F	9	48
Cardiff	C	2	36	N'wcstl.	C	0	32
Cas'b'ca	C	13	55	N York†	C	3	37
Cape T.	S	19	66	Nice	S	13	55
Chicg.†	F	−16	3	Nicosia	C	15	59
Cologne	C	3	37	Oporto	S	13	55
Cpnhgn.	S	2	36	Oslo	S	−1	30
Corfu	S	11	52	Paris	S	5	41
Denver†	F	−9	15	Perth	C	24	75
Dublin	C	5	41	Prague	F	0	32
Dbrvnk.	R	6	43	Rykjvk.	Fg	1	34
Ednbgh.	C	2	36	Rhodes	F	11	52
Faro	S	16	61	Rio J'o†		—	—
Florence	C	5	41	Rome	S	9	48
Frankft.	F	2	36	Salzbrg.	C	−1	30
Funchal	F	18	64	S'criscol	C	6	43
Geneva	F	4	39	S'tiago†		—	—
Gibrltr.	F	15	59	Stckhm.	S	−4	25
Gl'sg'w	C	3	37	Strasbg.	F	3	37
G'rnsey	F	7	45	Sydney	S	25	77
Helsinki	S	−13	9	Tangier	S	16	61
H. Kong	C	14	57	Tel Aviv	S	17	63
Innsbrk.	S	0	32	Tenerife	S	20	68
Invrnss.	C	2	36	Tokyo	S	8	46
I. o.Man	C	5	41	T'ronto†	Sn	−8	18
Istanbul	C	3	37	Tunis	F	15	59
Jersey	S	6	43	Valencia	S	15	59
Jo'burg	S	28	82	Venice	S	7	45
L. Plms.	S	18	64	Vienna	F	2	36
Lisbon	S	13	55	Warsaw	C	−1	31
Locarno	S	10	50	Zurich	S	0	32
London	S	4	39				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sn—Snow.
† Noon GMT temperatures.

THE LEX COLUMN

Buying time at T & N

Turner & Newall's bankers have given the group a two-year breathing space to push through the reconstruction already begun under its new chairman, Sir Francis Tombs. The terms of the agreement give the banks a floating charge over the *UK assets, as well as* a slightly higher interest rate than they had previously. The unsecured loan stockholders, who have already been well primed about the deal, are to be given equal security—and in return for all that, the company gets a reasonable assurance that no one will pull the plug before the end of 1984. The obvious losers from the arrangement are the trade creditors, who would now rank after the banks in a break-up.

Turner's UK borrowings should fall from around £100m to £55m once the sale of Philip A. Hunt of the U.S. is completed in three months' time. But total group debt will remain stubbornly high, at around £110m, even allowing for expected working capital shrinkage and the elimination of Hunt's overseas borrowings.

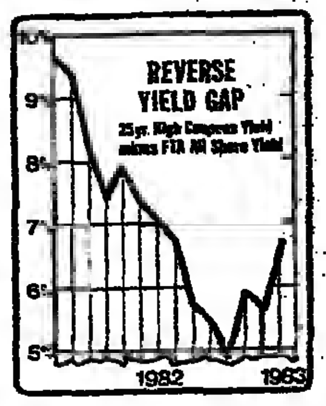
So, while interest charges should be considerably less than the 1981 figure of £19.5m, Turner remains under intense pressure to make a proper return out of its troublesome product range. While the banks may have registered a vote of confidence, the stock market is reserving judgment. The share price stuck at 30p yesterday, valuing the whole group at £33m—a long way from the £130m book value of those fixed assets.

Sir Francis can evidently count for support on the mighty Pru, as well as on his bankers. The arrangement by which the Prudential has granted Sir Francis an option over 500,000 shares—one-tenth of the Pru's own holding—is highly unusual and speaks volumes about the pressure placed on Turner to appoint a new chairman. The only recent precedent is probably to be found at the Weir Group where, two years ago, the incoming chairman was granted an option over 200,000 convertible preference shares by two major shareholders. That gentleman, who has so far made a book profit of £30,000 on the deal, was none other than Sir Francis Tombs.

U.S. equity

The Dow Jones Industrial Average has been looking a little forlorn over the past fortnight but Wall Street is still doing brisk business in the new

Index fell 2.8 to 644.0



issues area. It completed 11 offerings in the last week of January and, mixed in with the West Coast computer prodigies were a few household names from the old-fashioned economy like Walt Disney Productions, which last offered shares to the public in 1971.

The Dow's decisive move through the 1,000 level in mid-October helped to prompt a flood of new issues. Of the $13bn of equity capital raised in 1982, just under $4bn came in December and a further $3bn has followed in January. Some part has been played by the Securities and Exchange Commission's new Rule 415, which allows companies to keep prospective issues ready registered on the shelf, but it has had far less impact on equities than on debt offerings. Probably fewer than two dozen companies have launched equities through Rule 415 and the market value of equities on the shelf is currently only $141m, a far cry from the $28bn of bonds pre-packaged and ready to go when the moment is right.

A more plausible explanation of the busier primary market is the resurgence of initial public offerings by private companies after a subdued nine months. The inclination of young U.S. businesses to seek a quotation on the over-the-counter market at the earliest possible moment has been increasingly evident since the late 1970's, not least as a result of the venture capital industry's mushroom growth. The industry's investment in new companies had risen from $50m in 1975 to $1.5bn last year. Since October, perhaps half of the new equity announcements have been made by newcomers to the public markets.

High technology hopefuls account for a high proportion of these and some of the best trodden paths between industry and Wall Street's banking partners still lead back to Silicon Valley. But, over the past few months, they have been joined by the unfamiliar faces of America's heavy industry.

Phelps Dodge, Newmont Mining and Asarco, for example, have between them raised $218m in recent weeks. Most conspicuous, however, has been the arrival of four of the main steel companies, flushed with the pleasure of seeing their share prices outpace most computer stocks last year—they rose on average by 70 per cent.

The shares are still selling at a sizeable discount to book value and, as the U.S. banks have discovered, offering equity at below net worth can be an unpopular exercise. But, in the case of the steel industry, the market has presumably reasoned that the dire reorganisation imposed by the recession has made book net worth an almost meaningless statistic.

Vantona/Carrington

Mr Joe Hyman has succeeded in confusing virtually everyone in his single-handed assault on the proposed take-over of Carrington Viyella by Vantona. Despite a resounding failure to get the courts on his side, he is still trying to block the offer by picking up Carrington Viyella shares in the market—another 400,000 yesterday. But he has not yet given any clear view of why he is standing in the way of the regrouping.

This blocking action yields no obvious benefit. Mr Hyman seems to have been adding to his holdings at a premium over the 9p a share bid price, so if Vantona mops up its target 90 per cent and buys out the minorities, he can only lose. Equally, if he forces Vantona to pull out, which the company has threatened to do if it fails to reach 90 per cent, he might lose even more: the market support for the Vantona offer suggests that it sees little hope for any alternative plan for Carrington.

If Vantona fails to get the 3 per cent it needs, it may yet be tempted to soldier on without complete control after next Wednesday's bid deadline. But at the moment it is still insisting that its threats are no bluffs. Given the size of the problem at Carrington, and the extensive reconstruction which will probably be needed to allow Vantona to take advantage of Carrington's tax losses, a troublesome minority could be an immense hindrance.

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